

**GRENADA COUNTY - TIE PLANT MS
KOPPERS INC
FINANCIAL
MSD007027543**

AI 00876

Koppers Inc

General Information

ID	Branch	SIC	County	Basin	Start	End
876	Energy and Transportation	2491	Grenada	Yazoo River	11/09/1981	

Address

Physical Address (Primary)	Mailing Address
1 Koppers Drive Tie Plant, MS 38960	PO Box 160 Tie Plant, MS 38960

Telecommunications

Type	Address or Phone
Work phone number	(662) 226-4584, Ext. 11

Alternate / Historic AI Identifiers

Alt ID	Alt Name	Alt Type	Start Date	End Date
2804300012	Koppers Inc	Air-AIRS AFS	10/12/2000	
096000012	Koppers, Inc.	Air-Title V Fee Customer	12/11/2006	
096000012	Koppers Industries, Inc.	Air-Title V Operating	03/11/1997	03/01/2002
096000012	Koppers Industries, Inc.	Air-Title V Operating	01/13/2004	03/26/2007
096000012	Koppers Inc	Air-Title V Operating	03/26/2007	01/01/2009
MSR220005	Koppers Industries, Inc.	GP-Wood Treating	09/25/1992	
MSD007027543	Koppers Industries, Inc.	Hazardous Waste-EPA ID	08/27/1999	
HW8854301	Koppers Industries, Inc.	Hazardous Waste-TSD	06/28/1988	06/28/1998
HW8854301	Koppers Industries, Inc.	Hazardous Waste-TSD	11/10/1999	03/26/2007
HW8854301	Koppers, Inc. (Owner)	Hazardous Waste-TSD	03/26/2007	09/30/2009
876	Koppers Industries, Inc.	Historic Site Name	11/09/1981	12/11/2006
876	Koppers, Inc.	Official Site Name	12/11/2006	
MSP090300	Koppers Industries, Inc.	Water-Pretreatment	11/14/1995	11/13/2000
MSP090300	Koppers Industries, Inc.	Water-Pretreatment	09/18/2001	08/31/2006
MSP090300	Koppers Inc	Water-Pretreatment	03/26/2007	02/28/2012
MSU081080	Koppers Industries, Inc.	Water-SOP	11/09/1981	11/30/1985

Regulatory Programs

Program	SubProgram	Start Date	End Date
Air	Title V - major	06/01/1900	
Hazardous Waste	Large Quantity Generator	08/27/1999	
Hazardous Waste	TSD - Not Classified	06/28/1988	
Water	Baseline Stormwater	01/01/1900	
Water	PT CIU	11/14/1995	
Water	PT CIU - Timber Products Processing (Subpart 429)	11/14/1995	
Water	PT SIU	11/14/1995	

Locational Data

Latitude	Longitude	Metadata	S / T / R	Map Links

33 ° 44 ' 3 .00 (033.734167)	89 ° 47 ' 8 .06 (089.785572)	Point Desc: PG- Plant Entrance (General). Data collected by Mike Hardy on 11/8/2005. Elevation 223 feet. Just inside entrance gate. Method: GPS Code (Psuedo Range) Standard Position (SA Off) Datum: NAD83 Type: MDEQ	Section: Township: Range:	SWIMS TerraServer Map It
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4/3/2007 11:08:47 AM



Mississippi Department of Environmental Quality
Office of Pollution Control

I-sys 2000 Master Site Detail Report

Site Name: Koppers Industries Inc

<u>PHYSICAL ADDRESS</u> LINE 1: Tie Plant Road LINE 2: LINE 3: MUNICIPALITY: Tie Plant STATE CODE: MS ZIP CODE: 38960-	<u>OTHER INFORMATION</u> MASTER ID: 000876 COUNTY: Grenada REGION: NRO SIC 1: 2491 AIR TYPE: TITLE V HW TYPE: TSD SOLID TYPE: WATER TYPE: INDUSTRIAL BRANCH: Energy ECED CONTACT: Collier, Melissa BASIN:
<u>MAILING ADDRESS</u> LINE 1: PO Box 160 LINE 2: LINE 3: MUNICIPALITY: Tie Plant STATE CODE: MS ZIP CODE: 38960-	
<u>AIR PROGRAMS</u> <input checked="" type="checkbox"/> SIP <input type="checkbox"/> PSD <input type="checkbox"/> NSPS <input type="checkbox"/> NESHAPS <input type="checkbox"/> MACT	



**Mississippi Department of Environmental Quality
Office of Pollution Control**

Permits				
PROGRAM	PERMIT TYPE	PERMIT #	MDEQ PERMIT CONTACT	ACTIVE
AIR	TITLE V	096000012	Burchfield, David	YES
WATER	PRE-TREATMENT	MSP090300	Collins, Bryan	YES
HAZ. WASTE	TSD	HW8854301		YES
HAZ. WASTE	EPA ID	MSD007027543		YES
HAZ. WASTE	TSD	HW8854301	Stover, Wayne	YES

Compliance Actions				
MEDIA	ACTIVITY TYPE	SCHEDULED	COMPLETED	INSPECTED B
HAZ WASTE	Financial Record Review	1/18/00	1/18/00	Twitty, Russ
WATER	CMI - PRETREATMENT			Whittington, Darryail
WATER	CEI - PRETREATMENT	9/30/00		Twitty, Russ
WATER	CEI - NA	9/30/00		Twitty, Russ
HAZ WASTE	Compliance Evaluation Inspection	9/30/00		Twitty, Russ
AIR	State Compliance Inspection	9/30/00		Twitty, Russ
WATER	CEI - NA	3/2/99	3/2/99	Twitty, Russ
HAZ WASTE	Compliance Evaluation Inspection	3/2/99	3/2/99	Twitty, Russ
AIR	State Compliance Inspection	3/2/99	3/2/99	Twitty, Russ

file
green file
financial

Koppers Industries Inc

Name:	Koppers Industries Inc		
Site	Tie Plant Road		
Location:	Tie Plant	MS	38960-
County:	Grenada		

Contact Name:	Thomas Henderson
Title:	Plant Manager
Phone:	(601) 226-4584

SIC1:	2491	SIC2:		SIC3:	
Timber and Wood Products, Misc Ind					
ECED Contact:	Russ Twitty				

Air Facility Type:	Title V
HW Facility Type:	TSD
Water Facility Type:	Industrial
SW Facility Type:	

Site Basin:	
Out of Business:	<input type="checkbox"/>

Permit Type	SubType	Permit Number	DEQ Contact	
<input type="checkbox"/> AIR	Title V	096000012	Burchfield	David
<input type="checkbox"/> HW	TSD	HW8854301	Stover	Wayne
<input type="checkbox"/> HW	EPA ID	MSD007027543		
<input type="checkbox"/> HW	TSD	HW8854301		
<input type="checkbox"/> WATER	NPDES	MSP090300	Collins	Bryan



Mississippi Department of Environmental Quality
Office of Pollution Control
Hazardous Waste Financial Assurance Review

Site Name: Koppers Inc

EPA ID: MSD007027543

Permit Number: Hazardous Waste-TSD Permit No. HW8854301

Physical Address

1 Koppers Drive
Tie Plant, MS 38960
Grenada County

Mailing Address

PO Box 160
Tie Plant, Mississippi 38960

Date Received: 02/23/2009

Date Reviewed: 02/23/2009

Evaluation Type: FRR - Financial Records Review

Financial Assurance Mechanism: Letter of Credit

Reviewer: David Peacock

Comments

This financial record review was conducted to resolve issues with data gaps that exist in Kopper's financial files at MDEQ. A letter was sent to Koppers on this date requesting that they update or supply supporting documents that insured compliance with applicable FA regulations. A March 13, 2009 response from Koppers was determined to be a satisfactory response to this request.

Signature:

David K. Paul

Date:

02/23/2009

BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: MAY 28, 2008

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3073530

AMENDMENT NUMBER 1

ISSUING BANK
BANK OF AMERICA, N.A.
1000 W. TEMPLE STREET
7TH FLOOR, CA9-705-07-05
LOS ANGELES, CA 90012-1514

BENEFICIARY
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST

APPLICANT
BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

JACKSON, MS 39204

THIS AMENDMENT IS TO BE CONSIDERED AN INTEGRAL PART OF THE ABOVE CREDIT AND MUST BE ATTACHED THERETO.

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

THE AMOUNT OF THIS CREDIT HAS BEEN DECREASED BY USD 77,238.00
THE AGGREGATE AMOUNT OF THE CREDIT IS NOW USD 655,536.00

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT WILL BECOME EFFECTIVE UPON OUR RECEIPT OF THE BENEFICIARY'S WRITTEN ADVICE OF CONSENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNOR OF THE BENEFICIARY, SENT TO US ATTENTION OF ROBERTO BUENABAD . IF THE BENEFICIARY CHOOSES, THEY MAY SIGN AND RETURN THE ATTACHED COPY INDICATING THEIR CONSENT OR REJECTION.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS AMENDMENT, PLEASE CALL 1-800-541-6096 OPT 1.



AUTHORIZED SIGNATURE

Hermann Schutterle
Vice President

ORIGINAL

BANK OF AMERICA - CONFIDENTIAL

PAGE: 2

_____AMENDMENT ACCEPTED _____AMENDMENT REFUSED

DATE _____

SIGNATURE _____

PRINTED NAME _____

TITLE _____

PHONE NUMBER _____

THIS DOCUMENT CONSISTS OF 2 PAGE(S) .

ORIGINAL

FAX

DATE

3 / 31 / 06

TO: Azzam Abumrshid

Phone:

Fax: 601-961-5674

CC:

Number of pages including cover sheet: 4

FROM:

Beazer East, Inc.

Angela CharlesOne Oxford Centre
Suite 3000
Pittsburgh, PA 15219

Phone:

(412) 208-~~8807~~

Fax:

(412) 208-8803/26

REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

The information contained in this facsimile is privileged and confidential attorney information intended only for the use of the addressee. Persons responsible for delivering this communication to the intended recipient are hereby notified not to read the attached and that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, and please return the original message to us at our above address, via the U. S. Postal Service

Dear

Re:

Copy of BOA BEI's
Amendment to Grenada
site. Also, I included
Tx - the calculation
spdsht.

Angie

Bank of America

BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: MARCH 27, 2006

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3073530

AMENDMENT NUMBER 1

BENEFICIARY
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST

JACKSON, MS 39204

APPLICANT
BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

THIS AMENDMENT IS TO BE CONSIDERED AN INTEGRAL PART OF THE ABOVE CREDIT AND MUST BE ATTACHED THERETO.

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

THE AMOUNT OF THIS CREDIT HAS BEEN DECREASED BY USD 24,054.00
THE AGGREGATE AMOUNT OF THE CREDIT IS NOW USD 708,720.00

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT WILL BECOME EFFECTIVE UPON OUR RECEIPT OF THE BENEFICIARY'S WRITTEN ADVICE OF CONSENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNOR OF THE BENEFICIARY, SENT TO US ATTENTION OF SERGIO CARMONA. IF THE BENEFICIARY CHOOSES, THEY MAY SIGN AND RETURN THE ATTACHED COPY INDICATING THEIR CONSENT OR REJECTION.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS AMENDMENT, PLEASE CALL 213-481-7830.



AUTHORIZED SIGNATURE
STELLA ROSALES

AMENDMENT ACCEPTED

AMENDMENT REFUSED

ORIGINAL

Bank of America 

BANK OF AMERICA - CONFIDENTIAL

PAGE: 2

DATE _____

SIGNATURE _____

PRINTED NAME _____

TITLE _____

PHONE NUMBER _____

THIS DOCUMENT CONSISTS OF 2 PAGE(S) .

ORIGINAL

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET

For Fiscal Year Ending
December 31, 2005

Closure Costs: 0

Post-Closure Costs: 708,720

Total: 708,720

Worksheet Total: 708,720

Variance: 0

STATE: Mississippi

FACILITY NAME: Koppers Industries Inc.
Grenada
MSD 007027543

Program Manager: Mike Bollinger

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$	887,250
Less fourteen (14) years Post-Closure Care cost @ \$ 29.575 per year			(414,050)
Adjusted Post-Closure Cost Estimate			\$ 473,200

CALCULATIONS**2005 Cost Estimates**

The Surface Impoundment cost reflects 1988 dollars: the adjusted cost estimate has been voluntarily inflated to 2005 dollars.

Post-Closure

For 1989:	473,200	X	1.0357	=	\$	490,093
For 1990:	490,093	X	1.0378	=		508,619
For 1991:	508,619	X	1.0410	=		529,472
For 1992:	529,472	X	1.0360	=		548,533
For 1993:	548,533	X	1.0263	=		562,959
For 1994:	562,959	X	1.0186	=		573,430
For 1995:	573,430	X	1.0150	=		582,031
For 1996:	582,031	X	1.0250	=		596,582
For 1997:	596,582	X	1.0227	=		610,124
For 1998:	610,124	X	1.0180	=		621,106
For 1999:	621,106	X	1.0118	=		628,435
For 2000:	628,435	X	1.0185	=		640,061
For 2001:	640,061	X	1.0217	=		653,950
For 2002:	653,950	X	1.0256	=		670,691
For 2003:	670,691	X	1.0121	=		678,806
For 2004:	678,806	X	1.0160	=		689,667
For 2005:	689,667	X	1.0276	=		
						\$ 708,720

Total Cost Estimate for 2005 \$ **708,720**

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit

Don't wait

Koppers Ind

HAZ. Waste
MSD 00702754
Grenada Count

Beazer

BEAZER EAST, INC. , ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219

December 27, 2000

Certified Mail
Return Receipt Requested
7099 3400 0008 4286 3887

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ends December 31, 2000.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	840,082	840,082

Beazer has elected to continue to use insurance as its financial assurance mechanism to satisfy its post-closure care liability requirements.

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Page 2

Provided herein are the current year endorsements and certificate of insurance for closure and/or post-closure related to policy #PLC3553417-02. We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of December 31, 2000.

If you require any additional information or further clarification, please contact the undersigned at (412) 208-8819.

Sincerely yours,



Karen M. Mance
Chief Financial Officer

Enclosures

Cc: KII

CERTIFICATE OF INSURANCE FOR CLOSURE OR POST-CLOSURE

Name and Address of Insurer (herein called the "Insurer"): Steadfast Insurance Company
1400 American Lane
Schaumburg, Lane 60196-1056

Name and Address of Insured (herein called the "Insured"): Beazer East, Inc.
3000 Oxford Centre
Pittsburgh, Pennsylvania 15219

Facilities covered: Koppers Industries, Inc.
Grenada Plant
P.O. Box 160
Grenada, Mississippi 38960
MSD 007027543
Post-Closure Limit of Liability: \$840,082

Face Amount: \$840,082

Policy Number: PLC 3553417-02

Effective Date: December 31, 2000

The Insurer hereby certifies that it has issued to the Insured the policy of insurance identified above to provide financial assurance for post-closure care for the facilities identified above. The Insurer further warrants that such policy conforms in all respects with the requirements of 40 CFR 264.143(e), 264.145(e), 265.143(d), and 265.145(d), as applicable and as such regulations were constituted on the date shown immediately below. It is agreed that any provision of the policy inconsistent with such regulations is hereby amended to eliminate such inconsistency.

Whenever requested by the EPA Regional Administrator(s) of the U.S. Environmental Protection Agency, the Insurer agrees to furnish to the EPA Regional Administrator(s) a duplicate original of the policy listed above, including all endorsements thereon.

I hereby certify that the wording of this certificate is identical to the wording specified in 40 CFR 264.151(e) as such regulations were constituted on the date shown immediately below.

Authorized signature for Insurer:

Edward L. Sheffield Jr.

Name of person signing:

Edward L. Sheffield Jr.

Title of person signing:

Senior Underwriter

Signature of witness or notary:

Infancia D. [Signature]

Date:

December 1, 2000.

STEADFAST INSURANCE COMPANY

Endorsement No. 5

This Endorsement changes the Policy. Please read it carefully.

POLICY NUMBER	EFF. DATE OF POLICY	EXP. DATE OF POLICY	EFF. DATE OF END	PRODUCER	ADD'L PREM	RETURN PREM.
PLC 3553417-02	12/31/2000	12/31/2001	12/31/2000	18347000	\$1,680	N/A

NAMED INSURED: Beazer East, Inc.

ADDRESS: 3000 Oxford Centre
Pittsburgh, Pennsylvania 35601

This endorsement modifies insurance provided by the following:

CLOSURE AND POST-CLOSURE INSURANCE POLICY

CLAIMS MADE FORM

In consideration of the additional premium paid, \$1,680, it is hereby understood and agreed that Endorsement No. 2 is deleted in its entirety and replaced with the following:

Item 2. Policy Period:

From: December 31, 2000 12:01 A.M. Standard Time at the address shown in Item 1. of the Declarations.

To: December 31, 2001 12:01 A.M. Standard Time at the address shown in Item 1. of the Declarations.

All other terms and conditions remain unchanged.

Countersigned this 1st day of December, 2000

Edward L. Shifflet
Authorized Representative

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Page 1 of 1

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STEADFAST INSURANCE COMPANY

Endorsement No. 6

This Endorsement changes the Policy. Please read it carefully.

POLICY NUMBER	EFF. DATE OF POLICY	EXP. DATE OF POLICY	EFF. DATE OF END.	PRODUCER	ADD'L PREM.	RETURN PREM.
PLC 3553417-02	12/31/2000	12/31/2001	12/31/2000	18347000	N/A	N/A

NAMED INSURED: Beazer East, Inc.

ADDRESS: 3000 Oxford Centre
Pittsburgh, Pennsylvania 35601

This endorsement modifies insurance provided by the following:

CLOSURE AND POST-CLOSURE INSURANCE POLICY

CLAIMS MADE FORM

It is hereby understood and agreed that Endorsement No. 3 will be deleted in its entirety and amended to read as follows:

Broker: Marsh USA, Inc.
44 Whippany Road
Morristown, New Jersey 07962

All other terms and conditions remain unchanged.

Countersigned this 1st day of December, 2000


Authorized Representative

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Page 1 of 1

All rights reserved. No part of this document covered by the copyrights hereon may be reproduced or copied in any form by any means – graphic, electronic, or mechanical including photocopying, taping, or information storage and retrieval systems – without written permission of the Steadfast Insurance Company.

STEADFAST INSURANCE COMPANYEndorsement No. 7*This Endorsement changes the Policy. Please read it carefully.*

POLICY NUMBER	EFF. DATE OF POLICY	EXP. DATE OF POLICY	EFF. DATE OF END	PRODUCER	ADD'L PREM	RETURN PREM.
PLC 3553417-02	12/31/2000	12/31/2001	12/31/2000	18347000	N/A	N/A

NAMED INSURED: Beazer East, Inc.**ADDRESS:** 3000 Oxford Centre
Pittsburgh, Pennsylvania 35601

This endorsement modifies insurance provided by the following:

CLOSURE AND POST-CLOSURE INSURANCE POLICY

CLAIMS MADE FORM

It is hereby understood and agreed that Endorsement No. 4 is deleted in its entirety and replaced with the following.

Item 5.	Limit of Liability:	<u>Coverage A</u>	<u>Coverage B</u>
	Facility A:	N/A	\$840,082
	Total Policy Aggregate:	\$840,082	
Item 6.	Deductible:	<u>Coverage A</u>	<u>Coverage B</u>
		N/A	\$840,082

All other terms and conditions remain unchanged.

Countersigned this

1st

day of

December, 2000
Authorized Representative

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
December 31, 2000

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
Grenada
MSD 007027543

Program Manager: Rob Markwell

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88		\$ 887,250
Less nine (9) years Post-Closure Care cost @ \$ 29,575 per year.			(266,175)
Adjusted Post-Closure Cost Estimate			\$ 621,075

CALCULATIONS

2000 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2000 dollars.

Post-Closure

For 1989:	621,075	X	1.0357	=	\$ 643,247	
For 1990:	643,247	X	1.0378	=	667,562	
For 1991:	667,562	X	1.0410	=	694,932	
For 1992:	694,932	X	1.0360	=	719,950	
For 1993:	719,950	X	1.0263	=	738,885	
For 1994:	738,885	X	1.0186	=	752,628	
For 1995:	752,628	X	1.0150	=	763,918	
For 1996:	763,918	X	1.0250	=	783,016	
For 1997:	783,016	X	1.0227	=	800,790	
For 1998:	800,790	X	1.0180	=	815,204	
For 1999:	815,204	X	1.0118	=	824,823	
For 2000:	824,823	X	1.0185	=		\$ 840,082

Total Cost Estimate for 2000:

\$ 840,082

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit

FILE COPY

STATE OF MISSISSIPPI
DAVID RONALD MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

May 17, 2000

**Ms. Claire Seidener
Chase Manhattan Trust - Global Trust
One Oxford Centre, Suite 1100
Pittsburgh, PA 15219**

Dear Ms. Seidener:

**Re: Trust Agreement dated December 24, 1996
Account #1113274878
Termination of Trust # 1029-6F
Koppers Industries, Inc. Grenada Plant
EPA ID# MSD007027543**

In accordance with Section 17 of the trust agreement between Beazer East, Inc., (the "Grantor"), and Mellon Bank NA, now Chase Manhattan Trust, (the "Trustee"), the Mississippi Department of Environmental Quality hereby grants approval for Chase Manhattan Trust to terminate this trust. All remaining trust property, less final trust administration expenses, should be delivered to the Grantor.

Please contact Toby Cook at (601) 961-5067 if you have any questions.

Sincerely,



**Charles Chisolm
Executive Director**

**cc: Pete Muck
Beazer East, Inc.**

KUPPEKES
HAZ WASTE
FINANCIAL FILE

Grenada County
TIE PLANT

RECEIVED
DEC 28 1998
Dept. of Environmental Quality
Office of Pollution Control

Beazer

BEAZER EAST, INC. , ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219

December 22, 1998

Certified Mail
Return Receipt Requested
P 450 750 458

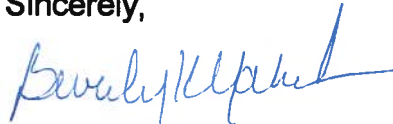
Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam:

The enclosed Certificate Of Insurance For Closure is being submitted to fulfill the RCRA financial requirements for Beazer East, Inc. A copy of the closure/post-closure insurance policy #PLC 3553417-00 and the declarations reflecting the appropriate face amount were previously submitted with our November 24, 1998 letter.

If you require any additional information, please contact the undersigned at 412-208-8808.

Sincerely,



Beverly K. Yakubisin
Accounting Manager

Enclosure

CERTIFICATE OF INSURANCE FOR CLOSURE OR POST-CLOSURE

Name and Address of Insurer (herein called the "Insurer"): Steadfast Insurance Company
1400 American Lane
Schaumburg, Lane 60196-1056

Name and Address of Insured (herein called the "Insured"): Beazer East, Inc.
3000 Oxford Centre
Pittsburgh, Pennsylvania 15219

Facilities covered: Koppers Industries, Inc.
Grenada Plant
P.O. Box 160
Grenada, Mississippi 38960
MSD 007027543
Post-Closure Limit of Liability: \$1,559,779

Face Amount: \$1,559,779

Policy Number: PLC 3553417-00

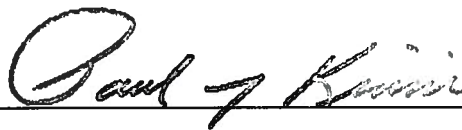
Effective Date: November 6, 1998

The Insurer hereby certifies that it has issued to the Insured the policy of insurance identified above to provide financial assurance for post-closure care for the facilities identified above. The Insurer further warrants that such policy conforms in all respects with the requirements of 40 CFR 264.143(e), 264.145(e), 265.143(d), and 265.145(d), as applicable and as such regulations were constituted on the date shown immediately below. It is agreed that any provision of the policy inconsistent with such regulations is hereby amended to eliminate such inconsistency.

Whenever requested by the EPA Regional Administrator(s) of the U.S. Environmental Protection Agency, the Insurer agrees to furnish to the EPA Regional Administrator(s) a duplicate original of the policy listed above, including all endorsements thereon.

I hereby certify that the wording of this certificate is identical to the wording specified in 40 CFR 264.151(e) as such regulations were constituted on the date shown immediately below.

Authorized signature for Insurer:



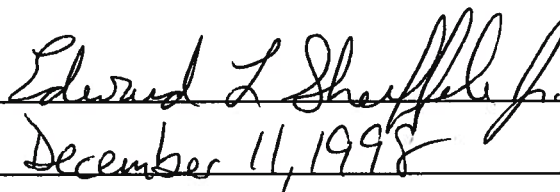
Name of person signing:

Paul Kinni

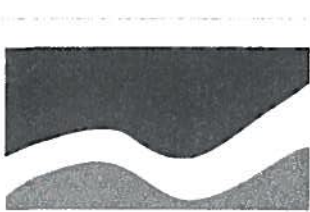
Title of person signing:

Assistant Vice President

Signature of witness or notary:


December 11, 1998

Date:



**HSI
GEOTRANS**

A TETRA TECH COMPANY

3035 Prospect Park Drive
Suite 40
Rancho Cordova, California
95670

916-853-1800 FAX 916-853-1860

December 21, 1998

P:\PROJECTS\BEAZER\GRENADA\N987\EPaw\OB4.wpd

RCRA Programs Branch
Waste Management Division
U.S. Environmental Protection Agency
61 Forsyth Street SW
Atlanta, Georgia 30303

Attention: Mr. Wes Hardegree

Subject: Workplan to Investigate the South Drip Pad/Track
and Northern Stream Areas
Koppers Industries, Inc.
Grenada Facility
Grenada, Mississippi

Dear Mr. Hardegree:

This letter is submitted on behalf of Beazer East, Inc. to notify you that the Workplan to Investigate the South Drip Pad/Track and Northern Stream Areas, Koppers Industries, Inc., Grenada Facility, Grenada, Mississippi, dated December 2, 1998 (Workplan) (HSI GeoTrans, 1998) omitted well OB-4 from the list of wells to be abandoned. Well OB-4, located in the Former Wastewater Treatment System area, was sampled only once, in July 1996. The analytical results of this sampling event are presented in the RCRA Interim Measure Predesign Investigation Report and Conceptual Design, dated December 16, 1996. Well OB-4 was abandoned during the field mobilization of December 10 through 15, 1998, in accordance with the State of Mississippi requirements.

The documentation of the well abandonments will be presented in a technical memorandum to be submitted to the EPA.

If you have any questions regarding this information, please call Mike Bollinger at (412) 208-8864.

Sincerely,

HSI GeoTrans

Jennifer A. Abrahams, R.G.
Project Manager

cc: David Peacock, MS DEQ
Mike Bollinger, Beazer
Rob Markwell, Beazer

BEAZER EAST, INC.
ENVIRONMENTAL GROUP
ONE OXFORD CENTER, SUITE 3000, PITTSBURGH PA 15219

March 16, 1998

Certified Mail
Return Receipt Requested
P 113 272 252

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam,

The enclosed documentation is being submitted to fulfill the RCRA financial assurance requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ended December 31, 1997. Beazer previously submitted a RCRA financial assurance package to you on December 18, 1997, one year after its last submittal; however, as our fiscal year has been changed to a calendar year end, we are submitting this additional financial assurance package within 90 days of that year end.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

	<u>Current Estimates</u>		
<u>Facility and ID Number</u>	<u>Closure</u> <u>Cost</u>	<u>Post-Closure</u> <u>Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	1,601,842	1,601,842

In accordance with Mississippi regulations, Beazer has elected to continue to demonstrate its financial assurance through the use of Letters of Credit number 70890. The value of the letter of credit has not been modified for the stub period of September 28, 1997 to December 31, 1997 and no amendment to the duration of the letter of credit is required as it has an automatic renewal clause.

March 16, 1998

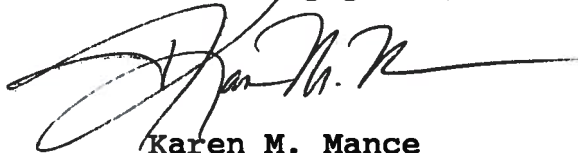
Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Page 2

Included in the filing sent to you on December 18, 1997 was a beneficiary consent form for the December 16, 1997 amendment to Letter of Credit 70890. We have been notified by the bank that they have not received a completed beneficiary consent form from your office. Kindly indicate your consent by signing the consent and returning it to the issuing bank to the attention of Ms. Michael Simpers.

If you require any additional information or further clarification please contact the undersigned at (412) 208-8819.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Karen M. Mance', with a long horizontal flourish extending to the right.

Karen M. Mance
Chief Financial Officer

Report of Independent Accountants

Mr. John C. Youts
Chief Financial Officer
Koppers Holdings Corporation and
Koppers Industries, Inc.

At your request, we have applied certain agreed upon procedures, described below, to certain amounts set forth on page 4 (Financial Test for Closure and Liability Coverage) of the accompanying letter to the Executive Director, Mississippi Department of Environmental Quality, dated March 8, 1993. Our procedures were as follows:

- a. We compared the dollar amounts of total liabilities (line 4), net worth (line 6), current assets (line 7), and current liabilities (line 8) with the corresponding amounts in Koppers Holdings Corporation's (KHC) December 31, 1992 consolidated balance sheet and found them to be in agreement.
- b. We computed the dollar amount of tangible net worth by subtracting the unamortized balance of the coke supply contract from total stockholders' equity, as shown in KHC's December 31, 1992 consolidated balance sheet, and agreed the computed amount to tangible net worth on line 5.
- c. We computed the sum of net income plus depreciation and amortization from amounts in KHC's consolidated statements of operations for the year ended December 31, 1992. We compared the computed amount with the corresponding amount on line 10 and found them to be in agreement.

We have not audited any financial statements of KHC as of any date or for any period subsequent to December 31, 1992, and have no knowledge of the effects, if any, on the requirements of Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265 of events that may have occurred subsequent to the date of our audit.

Because the procedures described above do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the amounts discussed in the introductory paragraph to this letter. However, our findings did not give us any reason to believe that the aforementioned amounts might require adjustment. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The undersigned hereby agree to terminate the Trust established by a Trust Agreement entered into as of January 30, 1992 by Koppers Industries, Inc., the Grantor, and Mellon Bank, N.A., the Trustee, designating the South Carolina Department of Health and Environmental Control as Beneficiary. This Trust was established to provide financial assurance that funds would be available for closure and/or post-closure care of a hazardous waste management facility. A financial test has been substituted for this mechanism.

KOPPERS INDUSTRIES, INC., as Grantor

M. Claire Fleming, Treasurer
Signature/Title of Grantor

MELLON BANK, N.A., as Trustee

Signature of Trustee

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL
QUALITY

Signature of Beneficiary

F:\cash\wp\trmagtms.env

Beazer

BEAZER EAST, INC. C/O THREE RIVERS MANAGEMENT, INC.
ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219-6401

March 17, 2009

Mr. David K. Peacock
Mississippi Department of Environmental Quality
Office of Pollution Control
Post Office Box 2261
Jackson, Mississippi 39225-2261

RECEIVED
MAR 24 2009
Dept of Environmental Quality
Office of Pollution Control

**RE: RCRA Financial Assurance for Post Closure Care
Koppers Industries, Grenada, Mississippi
MSD 007 027 543**

Dear Mr. Peacock:

This letter is in response to your letter dated February 23, 2009 (received March 9, 2009) requesting clarification of a number of financial assurance issues. Specifically, you requested clarification of the following:

1. Was the Standby Trust Agreement between Beazer East, Inc. and Mellon Bank, NA dated December 24, 1996 terminated at both Beazer's and MDEQ's request?
2. If the above-mentioned Trust Agreement was terminated, was a subsequent Standby Trust Agreement established when Beazer reverted to the use of a Letter of Credit as the post closure care financial mechanism, in March 2003?
3. If it is determined that no Standby Trust Agreement is presently in place, please advise this agency with you intentions.

As you indicated in your letter, Beazer is employing an Irrevocable Standby Letter of Credit (#3073530) issued by Bank of America to provide financial assurance for the Grenada Facility. A Standby Trust Agreement was established on March 26, 2003 between Beazer East, Inc and J. P. Morgan Trust Company N.A. as required by Mississippi regulation. I am enclosing a copy of the Standby Trust Agreement as well as a copy of a letter dated April 25, 2008 to Mr. Azzam Abumirshid of your office which provided documentation to fulfill the RCRA Financial Assurance Requirements for the fiscal year ended December 31, 2007.

I trust that this information provides the clarification of the status of financial assurance at the Grenada Facility. If you have any questions or require any further information, please contact me at (412) 208-8864.

Sincerely,

Michael W Bollinger

Michael W. Bollinger
Manager – Remediation

Enclosures

Beazer

BEAZER EAST, INC. C/O THREE RIVERS MANAGEMENT, INC.
ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219-6401

April 25, 2008

Mr. Azzam Abumirshid
Mississippi Department of Environmental Quality
Hazardous Waste Division
2380 Highway 80 West
Jackson, Mississippi 39204

Dear Mr. Abumirshid:

The enclosed documentation is being submitted to fulfill the RCRA Financial Assurance Requirements for the fiscal year ended December 31, 2007 for the following site:

Koppers Industries Grenada site (ID MSD 007027543)

In accordance with 40 CFR Section 264.144(b) and 40 CFR Section 264.145(d)(8), as incorporated by reference in Mississippi Reg HW-1, Part 264, the financial assurance amount has been adjusted for inflation and, if applicable, remaining years of post-closure care as of December 31, 2007. The inflation factor is calculated using the 2007 annual Gross Domestic Product Implicit Price Deflator, as dictated by US EPA guidelines (40 CFR 264.142(b).)

You will receive directly from Bank of America an amendment to update the amount of letter of credit #3073530 so that it matches the adjusted estimates attached. If you do not receive it within 30 days, please contact me.

Also enclosed is an updated Schedule B form to the Standby Trust Agreement describing the new collateral. We will continue to use the existing Standby Trust.

If you require any additional information or further clarification, please contact me at (412) 208-8857.

Sincerely,



Tina Baker
Accounting Manager

Enclosures

Cc: Neale Misquitta, Field & Technical Services
Charles E. McChesney II, Beazer East, Inc.
Leslie Hyde, Koppers Inc.

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
December 31, 2007

Closure Costs: 0
 Post-Closure Costs: 655,536
 Total: 655,536
 Worksheet Total: 655,536
 Variance: 0

STATE: Mississippi
 FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543
 Program Manager: Mike Bollinger

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$ 887,250	
Less fifteen (16) years Post-Closure Care cost @ \$ 29,575 per year.			(473,200)
Adjusted Post-Closure Cost Estimate		\$ 414,050	

CALCULATIONS

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2007 dollars.

Post-Closure	For 1989:	414,050	X	1.0357	=	\$ 428,832
	For 1990:	428,832	X	1.0378	=	445,042
	For 1991:	445,042	X	1.0410	=	463,289
	For 1992:	463,289	X	1.0360	=	479,967
	For 1993:	479,967	X	1.0263	=	492,590
	For 1994:	492,590	X	1.0186	=	501,752
	For 1995:	501,752	X	1.0150	=	509,278
	For 1996:	509,278	X	1.0250	=	522,010
	For 1997:	522,010	X	1.0227	=	533,860
	For 1998:	533,860	X	1.0180	=	543,469
	For 1999:	543,469	X	1.0118	=	549,882
	For 2000:	549,882	X	1.0185	=	560,055
	For 2001:	560,055	X	1.0217	=	572,208
	For 2002:	572,208	X	1.0256	=	586,857
	For 2003:	586,857	X	1.0121	=	593,958
	For 2004:	593,958	X	1.0160	=	603,461
	For 2005:	603,461	X	1.0276	=	620,132
	For 2006:	620,132	X	1.0293	=	638,302
	For 2007:	638,302	X	1.0270	=	655,536
						\$ 655,536

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit

SCHEDULE B
TO STANDBY TRUST AGREEMENT

LETTER OF CREDIT NUMBER 3073530 ISSUED BY BANK OF AMERICA IN THE AMOUNT OF
\$655,536.00

MS

10205162-0

Standby Trust Agreement

Trust Agreement, the "Agreement", entered into as of March 26, 2003 by and between Beazer East, Inc., a Delaware Corporation, the "Grantor", and J.P. Morgan Trust Company, National Association, the "Trustee".

Whereas the Mississippi Department of Environmental Quality ("MDEQ"), has established certain regulations applicable to the Grantor, requiring that an owner or operator of a hazardous waste management facility shall provide assurance that funds will be available when needed for closure and or post-closure care of the facility.

Whereas, the Grantor has elected to establish a standby trust into which the proceeds from a letter of credit may be deposited to assure all or part of such financial responsibility for the facilities identified herein. Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee.

Now, therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term Grantor means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term Trustee means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Facilities and Cost Estimates. This Agreement pertains to the facilities and cost estimates identified on attached schedule A [on schedule A, for each facility list the EPA Identification Number, name, and address of the facility(ies) and the current closure and or post-closure cost estimates, or portions thereof, for which financial assurance is demonstrated by this Agreement].

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund, hereafter the "Fund," for the benefit of MDEQ. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the proceeds of the letter of credit deposited into the Fund. Such proceeds and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by MDEQ.

Section 4. Payment for Closure and or Post-Closure Care. The Trustee shall make payments from the Fund as the MDEQ Director shall direct, in writing, to provide for the payment of the costs of closure and or post-closure of the facilities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the MDEQ Director from the Fund for closure and or post-closure expenditures in such amounts as the Department shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the MDEQ Director specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of the proceeds from the letter of credit drawn upon by the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (i) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or a State government; and
- (iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such State

depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

- (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and
- (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements to the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. The Trustee shall annually, at least thirty days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the MDEQ Director a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than sixty days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within ninety days after the statement has been furnished to the Grantor and the MDEQ Director shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the MDEQ Director and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, certifications of valid claims, and instructions to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendments to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the MDEQ Director to the Trustee shall be in writing, signed by the MDEQ Director or his designee, and the Trustee shall act and be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or MDEQ Director hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or MDEQ, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee shall notify the Grantor and the Director, by certified mail within ten days following the expiration of the 30 day period after the anniversary of the establishment of the Trust, if no payment is received from the Grantor during that period. After the pay-in period is completed, the Trustee shall not be required to send a notice of non-payment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, MDEQ, or by the Trustee and MDEQ if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, Trustee, and MDEQ Director, or by the Trustee and the MDEQ Director, if the Grantor ceases to exist. Upon termination of the Trust, all remaining Trust property, less final Trust administration expenses, shall be delivered to the Grantor.

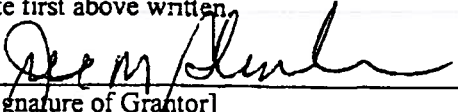
Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the MDEQ Director issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonable incurred in its defense in the event the Grantor fails to provide such defense.

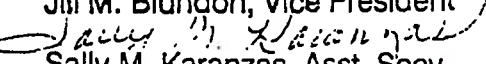
Section 19. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Mississippi.

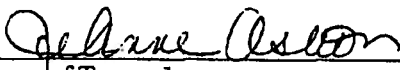
Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation of the legal efficacy of this Agreement.

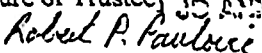
Standby Trust Agreement
Mississippi
Page 5

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written. The parties below certify that the wording of this Agreement is identical to the wording specified in Mississippi Hazardous Waste Regulation Sec. 264.151(d) as such regulations were constituted on the date first above written.



[Signature of Grantor]
[Title] Jill M. Blundon, Vice President
Attest: 
[Title] Sally M. Karanzas, Asst. Secy.
[Seal]



[Signature of Trustee] JO ANNE OSBORN VICE PRESIDENT
Attest: 
[Title] ROBERT PAVLOVIC, TRUST OFFICER
[Seal]

CERTIFICATION OF ACKNOWLEDGEMENT

State of TENNESSEE

County of ALLEGANY

Standby Trust Agreement

On this March 26, 2003, before me personally came Jill M. Blundon to me known, who, being by me duly sworn, did depose and say that she resides at One Oxford Centre, Suite 3000, Pittsburgh, PA 15219, that she is Vice President of Beazer East, Inc., the corporation described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she signed her name thereto by like order.

Sally M. Karanias
Signature of Notary Public]

Notarial Seal
Sally M. Karanias, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Apr. 27, 2003
Member, Pennsylvania Association of Notaries

Schedule A

Facilities Covered by this Agreement

MSD007027543

EPA Identification Number

Koppers Inc
Grenada Plant
P O Box 160
Grenada, MS 38960

0
Current Closure Cost

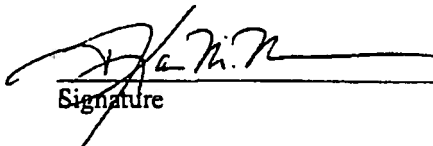
817,442
Current Post-Closure Cost

Exhibit A

Grantor Designees as Required by Section 14:

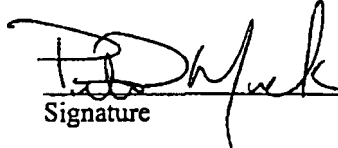
Karen. M. Mance
Name

Vice President and Chief Financial Officer
Title


Signature

Peter D. Muck
Name

Accounting Manager
Title


Signature

Account No. _____

Please note that the following indemnities shall be applied to the Trust Agreement signed on March 27, 2003 by and between Hanson Building Materials America ("Grantor") and J.P.Morgan Trust Company, National Association ("Trustee").

The Trustee may rely and shall be protected in acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Trustee shall have no duty to solicit any payments which may be due it hereunder.

The Trustee shall not be liable for any action taken or omitted by it in good faith unless a court of competent jurisdiction determines that the Trustee's willful misconduct or gross negligence was the primary cause of any loss to the Grantor. In the administration of the Trust Agreement hereunder, the Trustee may execute any of its powers and perform its duties hereunder directly or through agents or attorneys and may, consult with counsel, accountants and other skilled persons to be selected and retained by it. The Trustee shall not be liable for anything done, suffered or omitted in good faith and without gross negligence by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

The Grantor hereby agrees to (i) pay the Trustee upon execution of the Trust Agreement reasonable compensation for the services to be rendered hereunder, as described in Schedule I attached hereto, and (ii) pay or reimburse the Trustee upon request for all expenses, disbursement and advances, including reasonable attorney's fees, incurred or made by it in connection with the preparation, execution, performance, delivery modification and termination of the Trust Agreement.

The Grantor hereby agrees to indemnify the Trustee for, and to hold it harmless against any loss, liability or expense arising out of or in connection with the Trust Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim of liability,

except in those cases where the Trustee has been guilty of gross negligence or willful misconduct. Anything in this agreement to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The duties and responsibilities of the Trustee hereunder shall be determined solely by the express provisions of this Trust Agreement, and no other or further duties or responsibilities shall be implied. The Trustee shall not have any liability under, nor duty to inquire into the terms and provisions of any agreement or instructions, other than outlined in the Trust Agreement.

In the event that the Trustee shall be uncertain as to its duties or rights relative to the Trust Agreement or shall receive instructions, claims or demands from any party which, in its opinion, conflict with any of the provisions of the Trust Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in trust until it shall be directed otherwise in writing by all of the other parties hereto or by a final order or judgment of a court of competent jurisdiction.

Any corporation into which the Trustee in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee in its individual capacity shall be a party, or any corporation to which substantially all the corporate trust business of the Trustee in its individual capacity may be transferred, shall be the Trustee under the Trust Agreement without further act.

In the event funds transfer instructions are given (other than in writing at the time of execution of this Trust Agreement), whether in writing, by telecopier or otherwise, the Trustee is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on schedule 2 hereto ("Schedule II"), and the Trustee may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Trustee. The Trustee and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Grantor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Trustee may apply any of the trust funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Trust Agreement acknowledge that these security procedures are commercially reasonable.

It will be the responsibility of the Grantor and/or the Mississippi Dept. of Environmental Quality to notify The Trustee upon termination of the trust, so that the Trust account can be closed on the books of the Trustee. This will insure that subsequent invoices will not go out to the Grantor, and we can close the account on the Bank's books.

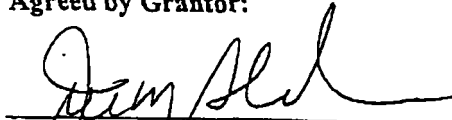
By: J.P.Morgan Trust Company, National
Association



Name: Jo Anne Osborn

Title: Assistant Vice President

Agreed by Grantor:



Name: Jill M. Blundon

Title: Vice President

SCHEDULE I

\$1,300 per annum or any part thereof without proration for partial years

Jo Anne Osborn
Assistant Vice President
J.P.Morgan Trust Company
301 Grant Street
One Oxford Centre, Suite 1100
Pittsburgh, PA 15219
Phone: 412-291-2027
Fax: 412-291-2070

SCHEDULE II

**Telephone Number(s) for Call-Backs and
Person(s) Designated to Confirm Funds Transfer Instructions**

If to Grantor:

<u>Name</u>	<u>Telephone Number</u>
1. Peter D. Muck_____	____412-208-8808_____
2. Karen M. Mance_____	____412-208-8819_____
3. _____	_____



STATE OF MISSISSIPPI
HALEY BARBOUR
GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
TRUDY D. FISHER, EXECUTIVE DIRECTOR

February 23, 2009

Beazer East, Inc.
c/o Three Rivers Management, Inc.
One Oxford Centre, Suite 3000
Pittsburgh, PA 15219-6401

Re: RCRA Financial Assurance for Post Closure Care
Koppers Industries, Grenada, Mississippi
MSD 007 027 543

COPY

Dear Sir or Madam:

A recent financial assurance file review conducted by MDEQ staff has determined that several data gaps exist in the Beazer/Koppers Industries file. At the present time, Beazer is employing an Irrevocable Standby Letter of Credit (No. 3073530) issued by Bank of America to provide financial assurance for the post closure care of closed RCRA units at the Koppers Industries' Tie Plant, Mississippi facility.

A Trust Agreement, entered into on December 24, 1996 between Beazer East Inc. and Mellon Bank, N.A. served as the Standby Trust Agreement (STA) prior to Beazer electing to use an insurance policy to cover post closure care in 1999. A February 8, 1999 letter from Beazer to Mr. Jerry Banks(MDEQ) requested that we approve the termination of the STA. A May 17, 2000 letter from Mr. Charles Chisolm –MDEQ to Ms. Claire Seidener –Chase Manhattan Trust (formally Mellon Bank N.A.) approved the request to terminate the standby trust agreement. On March 27, 2003, Beazer elected to change the mechanism for financial assurance from insurance policy to letter of credit. The Standby Letter of Credit, issued by Fleet National Bank (No. US1382570) is present in our files, but there is no indication that a Standby Trust Agreement was established. Mississippi Hazardous Waste Management Regulations (MHWMR) 264.145(d)(3) requires that a facility electing to use a letter of credit as financial assurance for post closure care must also establish a standby trust agreement.

Please allow this letter to serve as this agency's request that you respond in writing by **March 23, 2009** to clarify the following:

OFFICE OF POLLUTION CONTROL

POST OFFICE BOX 2261 • JACKSON, MISSISSIPPI 39225-2261 • TEL: (601) 961-5171 • FAX: (601) 354-6612 • www.deq.state.ms.us

AN EQUAL OPPORTUNITY EMPLOYER

- (1) Was the Standby Trust Agreement between Beazer East, Inc. and Mellon Bank, NA dated December 24, 1996 terminated at both Beazer's and MDEQ's request?
- (2) If the above-mentioned Trust Agreement was terminated, was a subsequent Standby Trust Agreement established when Beazer reverted to the use of a Letter of Credit as the post closure care financial mechanism, in March, 2003?
- (3) If it is determined that no Standby Trust Agreement is presently in place, please advise this agency with your intentions.

If you have any questions or comments concerning this letter please feel free to contact me at (601) 961-5220.

Sincerely,



David K. Peacock
Technical Support Branch, Environmental Compliance & Enforcement Division

Beazer

BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219

June 18, 2007

DEPT OF ENVIRONMENTAL QUALITY
REC'D
JUN 19 2007

State of Mississippi
Mississippi Department of Environmental Quality
Hazardous Waste Division
Attn: Mr. Azzam Abumirshid
2380 Highway 80 West
Jackson, Mississippi 39204

Dear Mr. Abumirshid:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ended December 31, 2006.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	683,894	683,894

Haz. Waste

State of Mississippi
Mississippi Department of Environmental Quality
Hazardous Waste Division
Attn: Mr. Azzam Abumirshid
2380 Highway 80 West
Jackson, Mississippi 39204

Page 2

For your reference, we have enclosed a copy of Letter of Credit #3073530. You will receive directly from Bank of America an amendment to update the amount of the letter so that it matches the adjusted estimates above. If you do not receive it within 15 days, please contact me.

We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of December 31, 2006.

Also enclosed is an updated Schedule B form to the Standby Trust Agreement describing the new collateral. Beazer East, Inc. will continue to use the existing Standby Trust.

If you require any additional information or further clarification, please contact the undersigned at (412) 208-8857.

Sincerely yours,



Tina Baker
Accounting Manager

Enclosures

Cc: Neale Misquitta, Field & Technical Services
Charles E. McChesney II, Beazer East, Inc.
Leslie Hyde, Koppers Inc.

**SCHEDULE B
TO STANDBY TRUST AGREEMENT**

**LETTER OF CREDIT NUMBER 3073530 ISSUED BY BANK OF AMERICA IN THE AMOUNT OF
\$683,894.00**

PAGE:

DATE: FEBRUARY 28, 2005

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3073530

BENEFICIARY
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST

JACKSON, MS 39204

APPLICANT
BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

AMOUNT
USD 732,774.00
SEVEN HUNDRED THIRTY TWO THOUSAND
SEVEN HUNDRED SEVENTY FOUR AND
00/100'S US DOLLARS

EXPIRATION
DECEMBER 31, 2005 AT OUR COUNTERS

DEAR SIR OR MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 3073530 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219, UP TO THE AGGREGATE AMOUNT OF U.S. DOLLARS SEVEN HUNDRED THIRTY TWO THOUSAND SEVEN HUNDRED SEVENTY FOUR ONLY (U.S.\$ 732,774.00), AVAILABLE UPON PRESENTATION OF:

(1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. 3073530, AND

(2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

THIS LETTER OF CREDIT IS EFFECTIVE AS OF FEBRUARY 28, 2005 AND SHALL EXPIRE ON DECEMBER 31, 2005, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON DECEMBER 31, 2005 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND BEAZER EAST, INC. BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU

ORIGINAL

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 3073530

ARE SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND BEAZER EAST, INC., AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF BEAZER EAST, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.

WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN 40 CFR 264.151(D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY BELOW.

BANK OF AMERICA, N.A.


ASSISTANT VICE PRESIDENT
DATE: FEBRUARY 28, 2005

STELLA ROSALES

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

ORIGINAL

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET

For Fiscal Year Ending

December 31, 2006

Closure Costs: 0

Post-Closure Costs: 683,894

STATE: Mississippi

Total: 683,894

FACILITY NAME: Koppers Industries, Inc.
Grenada
MSD 007027543

Program Manager: Mike Bollinger

Worksheet Total 683,894

Variance: 0

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$ 887,250	
Less fifteen (15) years Post-Closure Care cost @ \$ 29,575 per year.			(443,625)
Adjusted Post-Closure Cost Estimate			\$ 443,625

CALCULATIONS

2006 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2006 dollars.

Post-Closure

For 1989:	443,625	X	1.0357	=	\$ 459,462
For 1990:	459,462	X	1.0378	=	476,830
For 1991:	476,830	X	1.0410	=	496,380
For 1992:	496,380	X	1.0360	=	514,250
For 1993:	514,250	X	1.0263	=	527,775
For 1994:	527,775	X	1.0186	=	537,592
For 1995:	537,592	X	1.0150	=	545,655
For 1996:	545,655	X	1.0250	=	559,296
For 1997:	559,296	X	1.0227	=	571,992
For 1998:	571,992	X	1.0180	=	582,288
For 1999:	582,288	X	1.0118	=	589,159
For 2000:	589,159	X	1.0185	=	600,058
For 2001:	600,058	X	1.0217	=	613,079
For 2002:	613,079	X	1.0256	=	628,774
For 2003:	628,774	X	1.0121	=	636,382
For 2004:	636,382	X	1.0160	=	646,564
For 2005:	646,564	X	1.0276	=	664,426
For 2006:	664,426	X	1.0293	=	\$ 683,894

Total Cost Estimate for 2006: \$ 683,894

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit

Beazer

BEAZER EAST, INC. C/O THREE RIVERS MANAGEMENT, INC.
ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219-6401

Koppers
HW
Finance
Grenada Co

May 17, 2007

DEPT OF ENVIRONMENTAL QUALITY
REC'D
MAY 21 2007

State of Mississippi
Mississippi Department of Environmental Quality
Hazardous Waste Division
Attn: Mr. Azzam Abumirshid
2380 Highway 80 West
Jackson, Mississippi 39204

Dear Mr. Abumirshid:

The enclosed documentation is to provide you with detail for our pending adjustment to the amounts of financial assurance for post-closure costs at the Koppers Industries Grenada site (ID MSD 007027543.) In accordance with 40 CFR Section 264.144(b) and 40 CFR Section 264.145(d)(8), as incorporated by reference in Mississippi Reg HW-1, Part 264, the financial assurance amount has been adjusted for remaining years of post-closure care and for inflation as of December 31, 2006. The existing Letter of Credit for financial assurance at this site now exceeds the remaining cost of post-closure care. Therefore, the Letter of Credit for this site and Schedule B of the Standby Trust, pursuant to RCRA financial assurance requirements, will be adjusted accordingly.

Please refer to the detailed calculations attached hereto and direct any questions regarding them to me at the phone number below within 30 days of the date of this letter. After that time, I will assume that the calculations are acceptable and I will proceed with adjusting the amount of the Letter of Credit and Schedule B of the Standby Trust.

Sincerely,



Tina Baker
Accounting Manager

Cc: Neale Misquitta, Field and Technical Services
Charles E. McChesney II, Beazer East, Inc.
Leslie Hyde, Koppers, Inc.

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET

For Fiscal Year Ending

December 31, 2006

Closure Costs: 0

Post-Closure Costs: 683,894

STATE: Mississippi

Total: 683,894

FACILITY NAME: Koppers Industries, Inc.
Grenada
MSD 007027543

Program Manager: Mike Bollinger

Worksheet Total 683,894

Variance: 0

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$	887,250
Less fifteen (15) years Post-Closure Care cost @ \$ 29,575 per year.			(443,625)
Adjusted Post-Closure Cost Estimate			\$ 443,625

CALCULATIONS**2006 Cost Estimates**

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2006 dollars.

Post-Closure

For 1989:	443,625	X	1.0357	=	\$ 459,462
For 1990:	459,462	X	1.0378	=	476,830
For 1991:	476,830	X	1.0410	=	496,380
For 1992:	496,380	X	1.0360	=	514,250
For 1993:	514,250	X	1.0263	=	527,775
For 1994:	527,775	X	1.0186	=	537,592
For 1995:	537,592	X	1.0150	=	545,655
For 1996:	545,655	X	1.0250	=	559,296
For 1997:	559,296	X	1.0227	=	571,992
For 1998:	571,992	X	1.0180	=	582,288
For 1999:	582,288	X	1.0118	=	589,159
For 2000:	589,159	X	1.0185	=	600,058
For 2001:	600,058	X	1.0217	=	613,079
For 2002:	613,079	X	1.0256	=	628,774
For 2003:	628,774	X	1.0121	=	636,382
For 2004:	636,382	X	1.0160	=	646,564
For 2005:	646,564	X	1.0276	=	664,426
For 2006:	664,426	X	1.0293	=	\$ 683,894

Total Cost Estimate for 2006:

\$ 683,894

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit



BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: JUNE 29, 2007

AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3073530

AMENDMENT NUMBER 1

BENEFICIARY
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST

APPLICANT
BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

JACKSON, MS 39204

THIS AMENDMENT IS TO BE CONSIDERED AN INTEGRAL PART OF THE ABOVE CREDIT AND MUST BE ATTACHED THERETO.

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

THE AMOUNT OF THIS CREDIT HAS BEEN DECREASED BY USD 48,880.00
THE AGGREGATE AMOUNT OF THE CREDIT IS NOW USD 683,894.00

THIS AMENDMENT IS EFFECTIVE JUNE 29, 2007.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT WILL BECOME EFFECTIVE UPON OUR RECEIPT OF THE BENEFICIARY'S WRITTEN ADVICE OF CONSENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNOR OF THE BENEFICIARY, SENT TO US ATTENTION OF JOE PIAZZA . IF THE BENEFICIARY CHOOSES, THEY MAY SIGN AND RETURN THE ATTACHED COPY INDICATING THEIR CONSENT OR REJECTION.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS AMENDMENT, PLEASE CALL 213-580-8345.



AUTHORIZED SIGNATURE
STELLA ROSALES

_____AMENDMENT ACCEPTED _____AMENDMENT REFUSED

ORIGINAL



DATE _____

SIGNATURE _____

PRINTED NAME _____

TITLE _____

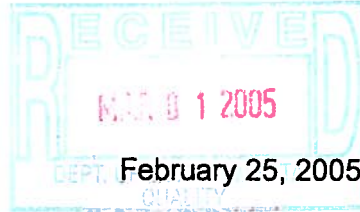
PHONE NUMBER _____

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

ORIGINAL

Beazer

BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219



*Haz Waste
Financial
Grenada Co.*

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
2380 Highway 80 West
Jackson, Mississippi 39204

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ended December 31, 2004.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	732,774	732,774

*Haz Waste
Financial Ale
Grenada Co.*

Beazer is submitting the enclosed letter of credit No. 3073530 as its financial assurance mechanism to satisfy its closure and post-closure care requirements.

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
2380 Highway 80 West
Jackson, Mississippi 39204

Page 2

This letter of credit is intended to replace our existing letter of credit No. US1382570. Please return letter of credit No. US1382570 as soon as possible to:

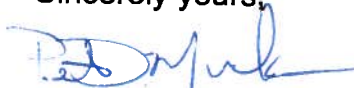
John R. Williams, Officer – Standby Unit
Bank of America
Global Trade Operations
1 Fleet Way
Scranton, PA 18507-1999

We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of December 31, 2004.

Also enclosed is an updated Schedule B form to the Standby Trust Agreement describing the new collateral. Beazer East, Inc. will continue to use the existing Standby Trust.

If you require any additional information or further clarification, please contact the undersigned at (412) 208-8808.

Sincerely yours,



Peter D. Muck
Accounting Manager

Enclosures

Cc: Pete Sullivan – Retec
Leslie Hyde – Koppers Inc



PAGE:

DATE: FEBRUARY 28, 2005

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3073530

BENEFICIARY
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST

JACKSON, MS 39204

APPLICANT
BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

AMOUNT
USD 732,774.00
SEVEN HUNDRED THIRTY TWO THOUSAND
SEVEN HUNDRED SEVENTY FOUR AND
00/100'S US DOLLARS

EXPIRATION
DECEMBER 31, 2005 AT OUR COUNTERS

DEAR SIR OR MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 3073530 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219, UP TO THE AGGREGATE AMOUNT OF U.S. DOLLARS SEVEN HUNDRED THIRTY TWO THOUSAND SEVEN HUNDRED SEVENTY FOUR ONLY (U.S.\$ 732,774.00), AVAILABLE UPON PRESENTATION OF:

(1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. 3073530, AND

(2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

THIS LETTER OF CREDIT IS EFFECTIVE AS OF FEBRUARY 28, 2005 AND SHALL EXPIRE ON DECEMBER 31, 2005, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON DECEMBER 31, 2005 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND BEAZER EAST, INC. BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU

ORIGINAL



THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 3073530

ARE SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND BEAZER EAST, INC., AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF BEAZER EAST, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.

WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN 40 CFR 264.151(D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY BELOW.

BANK OF AMERICA, N.A.

STELLA ROSALES

ASSISTANT VICE PRESIDENT
DATE: FEBRUARY/ 28, 2005

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

ORIGINAL

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET

For Year Ending

December 31, 2004

Closure Costs: 0

Post-Closure Costs: 732,774

Total: 732,774

Worksheet Total 732,774

Variance: 0

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
Grenada
MSD 007027543

Program Manager: Mike Bollinger

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$	887,250
Less thirteen (13) years Post-Closure Care cost @ \$ 29,575 per year.			(384,475)
Adjusted Post-Closure Cost Estimate			\$ 502,775

CALCULATIONS

2004 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2004 dollars.

Post-Closure

For 1989:	502,775	X	1.0357	=	\$	520,724
For 1990:	520,724	X	1.0378	=		540,407
For 1991:	540,407	X	1.0410	=		562,564
For 1992:	562,564	X	1.0360	=		582,816
For 1993:	582,816	X	1.0263	=		598,144
For 1994:	598,144	X	1.0186	=		609,269
For 1995:	609,269	X	1.0150	=		618,409
For 1996:	618,409	X	1.0250	=		633,869
For 1997:	633,869	X	1.0227	=		648,258
For 1998:	648,258	X	1.0180	=		659,927
For 1999:	659,927	X	1.0118	=		667,714
For 2000:	667,714	X	1.0185	=		680,067
For 2001:	680,067	X	1.0217	=		694,824
For 2002:	694,824	X	1.0256	=		712,611
For 2003:	712,611	X	1.0121	=		721,234
For 2004:	721,234	X	1.0160	=	\$	732,774

Total Cost Estimate for 2004:

\$ 732,774

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit

**SCHEDULE B
TO STANDBY TRUST AGREEMENT**

**LETTER OF CREDIT NUMBER 3073530 ISSUED BY BANK OF AMERICA IN THE AMOUNT OF
\$732,774.00**



DATE: FEBRUARY 28, 2005

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 3073530

BENEFICIARY
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST

JACKSON, MS 39204

APPLICANT
BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

ORG. LOC PLACED
IN SECURE LOCATION
DKP 05/04/09

AMOUNT
USD 732,774.00
SEVEN HUNDRED THIRTY TWO THOUSAND
SEVEN HUNDRED SEVENTY FOUR AND
00/100'S US DOLLARS

EXPIRATION
DECEMBER 31, 2005 AT OUR COUNTERS

DEAR SIR OR MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 3073530 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219, UP TO THE AGGREGATE AMOUNT OF U.S. DOLLARS SEVEN HUNDRED THIRTY TWO THOUSAND SEVEN HUNDRED SEVENTY FOUR ONLY (U.S.\$ 732,774.00), AVAILABLE UPON PRESENTATION OF:

(1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. 3073530, AND

(2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

THIS LETTER OF CREDIT IS EFFECTIVE AS OF FEBRUARY 28, 2005 AND SHALL EXPIRE ON DECEMBER 31, 2005, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON DECEMBER 31, 2005 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND BEAZER EAST, INC. BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU

ORIGINAL



THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 3073530

ARE SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND BEAZER EAST, INC., AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF BEAZER EAST, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.

WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN 40 CFR 264.151(D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY BELOW.

BANK OF AMERICA, N.A.

STELLA ROSALES

ASSISTANT VICE PRESIDENT

DATE: FEBRUARY 28, 2005

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

ORIGINAL



STATE OF MISSISSIPPI
RONNIE MUSGROVE, GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHARLES H. CHISOLM, EXECUTIVE DIRECTOR

March 2, 2005

Mr. John R. Williams, Officer - Standby Unit
Bank of America
Global Trade Operations
1 Fleet Way
Scranton, PA 18507-1999

Re: Beazer, Inc. LC No. US1382570

Dear Mr. Williams:

Enclosed please find the above referenced Letter of Credit per Mr. Peter Muck Request.

If you have any questions, please call me at (601) 961-5171.

Sincerely,

A handwritten signature in black ink, appearing to read "Azzam Abumirshid".

Azzam Abumirshid
ECED
Timber & Wood products Section

Beazer

Grenada Co.
Hazardous Waste
Financial

BEAZER EAST, INC. , ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219



March 31, 2004



Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
2380 Highway 80 West
Jackson, Mississippi 39204

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ended December 31, 2003.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	763,661	763,661

Beazer is submitting the enclosed letter of credit No. US1382570 as its financial assurance mechanism to satisfy its closure and post-closure care requirements.

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
2380 Highway 80 West
Jackson, Mississippi 39204

Page 2

We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of December 31, 2003.

You will notice that the calculated amount of our closure/post-closure liability is lower than the amount of the Letter of Credit. Due to high amendment costs and our intention to replace this letter of credit with one from another bank later in 2004, we have elected to keep the amount of Letter of Credit No. US1382570 constant at this time. The replacement letter of credit will be issued for the new, current estimate amount.

If you require any additional information or further clarification, please contact the undersigned at (412) 208-8808.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "P. D. Muck", is written over the typed name.

Peter D. Muck
Accounting Manager

Enclosures

Cc: Pete Sullivan – Retec
Leslie Hyde – Koppers Inc

STANDBY LETTER OF CREDIT NO. US1382570
DATE OF ISSUE: MARCH 27, 2003

ISSUING BANK:

FLEET NATIONAL BANK
39 VICTORIA ST.
LONDON SW 1H OED, UK

APPLICANT:

BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

BENEFICIARY:

EXECUTIVE DIRECTOR, MISSISSIPPI
DEPT. OF ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST
JACKSON, MS 39204

AMOUNT/CURRENCY:

USD 796,448.00
SEVEN HUNDRED NINETY SIX THOUSAND FOUR
HUNDRED FORTY EIGHT AND 00/100'S US
DOLLARS

DATE AND PLACE OF EXPIRY:

MARCH 27, 2004 AT OUR COUNTERS



DEAR EXECUTIVE DIRECTOR,

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. US1382570 IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219 UP TO THE AGGREGATE AMOUNT OF SEVEN HUNDRED NINETY SIX THOUSAND FOUR HUNDRED FORTY EIGHT U.S. DOLLARS \$796,448.00 AVAILABLE UPON PRESENTATION OF:

1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. US1382570, AND

2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

THIS LETTER OF CREDIT IS EFFECTIVE AS OF MARCH 27, 2003 AND SHALL EXPIRE ON MARCH 27, 2004, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON MARCH 27, 2004 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND BEAZER EAST, INC. BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU ARE

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: US1382570

SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND BEAZER EAST, INC., AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF BEAZER EAST, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.

WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN MISSISSIPPI HAZARDOUS WASTE REGULATION SEC. 264.151(D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY BELOW.

EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS CREDIT IS ISSUED SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.



AUTHORIZED SIGNATURE
MICHAEL A. GRIZZANTI
OPERATIONS OFFICER



AUTHORIZED SIGNATURE
ALFONSO MALAVE
OPERATIONS OFFICER

THIS DOCUMENT CONSISTS OF 2 PAGE(S)

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
December 31, 2003

Closure Costs: 0
 Post-Closure Costs: 763,661
 Total: 763,661
 Worksheet Total: 763,661
 Variance: 0

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Mike Bollinger

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$ 887,250	
Less twelve (12) years Post-Closure Care cost @ \$ 29,575 per year			(354,900)
Adjusted Post-Closure Cost Estimate		\$ 532,350	

CALCULATIONS

2003 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2003 dollars.

Post-Closure

For 1989:	532,350	X	1.0357	=	\$ 551,355
For 1990:	551,355	X	1.0378	=	572,196
For 1991:	572,196	X	1.0410	=	595,656
For 1992:	595,656	X	1.0360	=	617,100
For 1993:	617,100	X	1.0263	=	633,330
For 1994:	633,330	X	1.0186	=	645,110
For 1995:	645,110	X	1.0150	=	654,787
For 1996:	654,787	X	1.0250	=	671,157
For 1997:	671,157	X	1.0227	=	686,392
For 1998:	686,392	X	1.0180	=	698,747
For 1999:	698,747	X	1.0118	=	706,992
For 2000:	706,992	X	1.0185	=	720,071
For 2001:	720,071	X	1.0217	=	735,697
For 2002:	735,697	X	1.0256	=	754,531
For 2003:	754,531	X	1.0121	=	\$ 763,661

Total Cost Estimate for 2003

\$ 763,661

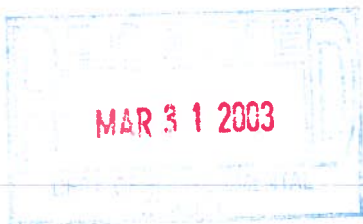
We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit.

J. Gatto
Maha Rao

Grenada

Beazer

BEAZER EAST, INC. , ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219



March 27, 2003

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
2380 Highway 80 West
Jackson, Mississippi 39204

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ends December 31, 2002.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	796,448	796,448

Beazer has elected to replace its insurance policies with the enclosed letter of credit No. US1382570 as its financial assurance mechanism to satisfy its closure and post-closure care requirements.

Executive Director
Mississippi Dept of Env Quality
2380 Highway 80 West
Jackson, Mississippi 39204

Page 2

We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of December 31, 2002.

If you require any additional information or further clarification, please contact the undersigned at (412) 208-8808.

Sincerely yours,



Peter D. Muck
Accounting Manager

Enclosures

Cc: Adam Cooper – Retec
Leslie Hyde – Koppers Inc

STANDBY LETTER OF CREDIT NO. US1382570
DATE OF ISSUE: MARCH 27, 2003

ISSUING BANK:

FLEET NATIONAL BANK
39 VICTORIA ST.
LONDON SW 1H 0ED, UK

APPLICANT:

BEAZER EAST, INC.
ONE OXFORD CENTRE, SUITE 3000
PITTSBURGH, PA 15219

BENEFICIARY:

EXECUTIVE DIRECTOR, MISSISSIPPI
DEPT. OF ENVIRONMENTAL QUALITY
2380 HIGHWAY 80 WEST
JACKSON, MS 39204

AMOUNT/CURRENCY:

USD 796,448.00
SEVEN HUNDRED NINETY SIX THOUSAND FOUR
HUNDRED FORTY EIGHT AND 00/100'S US
DOLLARS

DATE AND PLACE OF EXPIRY:

MARCH 27, 2004 AT OUR COUNTERS

DEAR EXECUTIVE DIRECTOR,

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. US1382570 IN
YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF BEAZER EAST, INC., ONE
OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219 UP TO THE AGGREGATE AMOUNT OF
SEVEN HUNDRED NINETY SIX THOUSAND FOUR HUNDRED FORTY EIGHT U.S. DOLLARS
796,448.00 AVAILABLE UPON PRESENTATION OF:

1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO.
S1382570, AND

2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF
THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE
RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

THIS LETTER OF CREDIT IS EFFECTIVE AS OF MARCH 27, 2003 AND SHALL EXPIRE ON
MARCH 27, 2004, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A
PERIOD OF ONE YEAR ON MARCH 27, 2004 AND ON EACH SUCCESSIVE EXPIRATION DATE,
UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH
YOU AND BEAZER EAST, INC. BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO EXTEND
THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU ARE

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: US1382570

SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND BEAZER EAST, INC., AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF BEAZER EAST, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.

WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN MISSISSIPPI HAZARDOUS WASTE REGULATION SEC. 264.151(D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY BELOW.

EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS CREDIT IS ISSUED SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.



AUTHORIZED SIGNATURE
MICHAEL A. GRIZZANTI
OPERATIONS OFFICER



AUTHORIZED SIGNATURE
ALFONSO MALAVE
OPERATIONS OFFICER

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
December 31, 2002

Closure Costs: 0
 Post-Closure Costs: 796,448
 Total: 796,448
 Worksheet Total: 796,448
 Variance: 0

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Mike Bollinger

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$ 887,250	
Less ten (11) years Post-Closure Care cost @ \$ 29,575 per year.			(325,325)
Adjusted Post-Closure Cost Estimate		\$ 561,925	

CALCULATIONS

2002 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2002 dollars.

Post-Closure

For 1989:	561,925	X	1.0357	=	\$ 581,986
For 1990:	581,986	X	1.0378	=	603,985
For 1991:	603,985	X	1.0410	=	628,748
For 1992:	628,748	X	1.0360	=	651,383
For 1993:	651,383	X	1.0263	=	668,514
For 1994:	668,514	X	1.0186	=	680,948
For 1995:	680,948	X	1.0150	=	691,163
For 1996:	691,163	X	1.0250	=	708,442
For 1997:	708,442	X	1.0227	=	724,524
For 1998:	724,524	X	1.0180	=	737,565
For 1999:	737,565	X	1.0118	=	746,268
For 2000:	746,268	X	1.0185	=	760,074
For 2001:	760,074	X	1.0217	=	776,568
For 2002	776,568	X	1.0256	=	\$ 796,448

Total Cost Estimate for 2002:

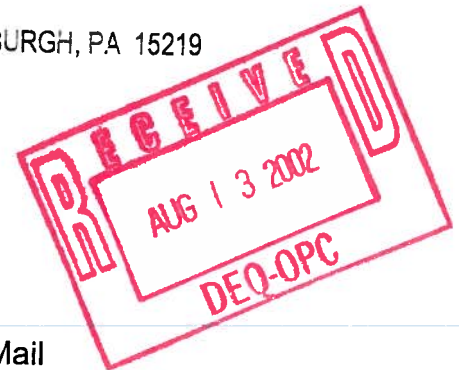
\$ 796,448

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit

Beazer

BEAZER EAST, INC. , ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219

August 12, 2002



Certified Mail
Return Receipt Requested
7000 1530 0001 9519 7969

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ends December 31, 2001.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	817,442	817,442

Beazer has elected to continue to use insurance as its financial assurance mechanism to satisfy its post-closure care liability requirements.

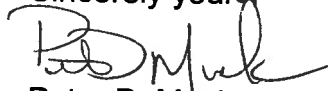
Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Page 2

Provided herein is the endorsement extending the expiration date to December 31, 2002 for insurance policy #PLC3553417-03.

If you require any additional information or further clarification, please contact the undersigned at (412) 208-8808.

Sincerely yours,

A handwritten signature in black ink, appearing to read "P. D. Muck", written over a horizontal line.

Peter D. Muck
Accounting Manager

Enclosures

Cc: Adam Cooper – Retec
Leslie Hyde - KII

STEADFAST INSURANCE COMPANYEndorsement No. 12*This Endorsement changes the Policy. Please read it carefully.*

POLICY NUMBER	EFF. DATE OF POLICY	EXP. DATE OF POLICY	EFF. DATE OF END.	PRODUCER	ADD'L PREM.	RETURN PREM.
PLC 3553417-03	12/31/2001	12/31/2002	12/31/2001	18347000	\$1,515	N/A

NAMED INSURED: Beazer East, Inc.**ADDRESS:** 3000 Oxford Centre
Pittsburgh, Pennsylvania 35601

This endorsement modifies insurance provided by the following:

CLOSURE AND POST-CLOSURE INSURANCE POLICY**CLAIMS MADE FORM**

In consideration of the additional premium paid, \$1,515, it is hereby understood and agreed that Endorsement No.10 is deleted in its entirety and replaced with the following:

Item 2. Policy Period:

From: December 31, 2001 12:01 A.M. Standard Time at the address shown in Item 1. of the Declarations.

To: December 31, 2002 12:01 A.M. Standard Time at the address shown in Item 1. of the Declarations.

All other terms and conditions remain unchanged.

Countersigned this 1st day of August, 2002

Edward L. Sheffele
Authorized Representative

Beazer **FILE COPY**

Grenada Co.
Financial file
D. Lee

BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219

FEB 2002

February 1, 2002

Certified Mail
Return Receipt Requested
7000 1530 0001 9519 7662

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ends December 31, 2001.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	817,442	817,442

Beazer has elected to continue to use insurance as its financial assurance mechanism to satisfy its post-closure care liability requirements.

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Page 2

Provided herein are the current year endorsements and certificate of insurance for closure and/or post-closure related to policy #PLC3553417-02. We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of December 31, 2001.

We are currently finalizing some issues with our insurer relating to guarantees and other financial considerations surrounding the insurance policy covering our closure and post-closure obligations. We anticipate getting these matters cleared up with our insurers during the month of February, at which time we will furnish you with an insurance certificate for the remainder of 2002.

If you require any additional information or further clarification, please contact the undersigned at (412) 208-8808.

Sincerely yours,



Peter D. Muck
Accounting Manager

Enclosures

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
December 31, 2001

Closure Costs: 0
 Post-Closure Costs: 817,442
 Total: 817,442
 Worksheet Total: 817,442
 Variance: 0

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Rob Markwell

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88		\$ 887,250
Less ten (10) years Post-Closure Care cost @ \$ 29,575 per year.			(295,750)
Adjusted Post-Closure Cost Estimate			\$ 591,500

CALCULATIONS

2001 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 2001 dollars.

Post-Closure

For 1989:	591,500	X	1.0357	=	\$ 612,617
For 1990:	612,617	X	1.0378	=	635,774
For 1991:	635,774	X	1.0410	=	661,841
For 1992:	661,841	X	1.0360	=	685,667
For 1993:	685,667	X	1.0263	=	703,700
For 1994:	703,700	X	1.0186	=	716,789
For 1995:	716,789	X	1.0150	=	727,541
For 1996:	727,541	X	1.0250	=	745,730
For 1997:	745,730	X	1.0227	=	762,658
For 1998:	762,658	X	1.0180	=	776,386
For 1999:	776,386	X	1.0118	=	785,547
For 2000:	785,547	X	1.0185	=	800,080
For 2001:	800,080	X	1.0217	=	
					\$ 817,442

Total Cost Estimate for 2001:

\$ 817,442

We removed the Boiler Ash Landfarm from financial assurance in 1999 as it is not part of our permit

CERTIFICATE OF INSURANCE FOR CLOSURE OR POST-CLOSURE

Name and Address of Insurer (herein called the "Insurer"): Steadfast Insurance Company
1400 American Lane
Schaumburg, Lane 60196-1056

Name and Address of Insured (herein called the "Insured"): Beazer East, Inc.
3000 Oxford Centre
Pittsburgh, Pennsylvania 15219

Facilities covered: Koppers Industries, Inc.
Grenada Plant
P.O. Box 160
Grenada, Mississippi 38960
MSD 007027543
Post-Closure Limit of Liability: \$817,442

Face Amount: \$817,442

Policy Number: PLC 3553417-03

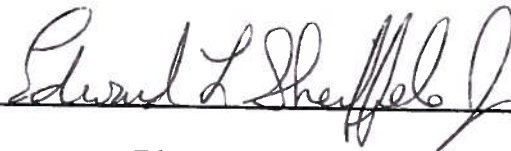
Effective Date: December 31, 2001

The Insurer hereby certifies that it has issued to the Insured the policy of insurance identified above to provide financial assurance for post-closure care for the facilities identified above. The Insurer further warrants that such policy conforms in all respects with the requirements of 40 CFR 264.143(e), 264.145(e), 265.143(d), and 265.145(d), as applicable and as such regulations were constituted on the date shown immediately below. It is agreed that any provision of the policy inconsistent with such regulations is hereby amended to eliminate such inconsistency.

Whenever requested by the EPA Regional Administrator(s) of the U.S. Environmental Protection Agency, the Insurer agrees to furnish to the EPA Regional Administrator(s) a duplicate original of the policy listed above, including all endorsements thereon.

I hereby certify that the wording of this certificate is identical to the wording specified in 40 CFR 264.151(e) as such regulations were constituted on the date shown immediately below.

Authorized signature for Insurer:



Name of person signing:

Edward L. Sheiffele, Jr.

Title of person signing:

Product Line Manager

Signature of witness or notary:



Date:

December 31, 2001

STEADFAST INSURANCE COMPANYEndorsement No. 10*This Endorsement changes the Policy. Please read it carefully.*

POLICY NUMBER	EFF. DATE OF POLICY	EXP. DATE OF POLICY	EFF. DATE OF END.	PRODUCER	ADD'L. PREM.	RETURN PREM.
PLC 3553417-03	12/31/2001	08/15/2002	02/01/2002	18347000	\$1,755	N/A

NAMED INSURED: Beazer East, Inc.**ADDRESS:** 3000 Oxford Centre
Pittsburgh, Pennsylvania 35601

This endorsement modifies insurance provided by the following:

CLOSURE AND POST-CLOSURE INSURANCE POLICY

CLAIMS MADE FORM

In consideration of the additional premium paid, \$1,755, it is hereby understood and agreed that Endorsement No. 8 is deleted in its entirety and replaced with the following:

Item 2. Policy Period:

From: December 31, 2001 12:01 A.M. Standard Time at the address shown in Item 1. of the Declarations.

To: August 15, 2002 12:01 A.M. Standard Time at the address shown in Item 1. of the Declarations.

All other terms and conditions remain unchanged.

Countersigned this 1st day of February, 2002
Authorized Representative

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Page 1 of 1

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FILE COPY

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

James I. Palmer, Jr., Executive Director

MEMORANDUM

To: David Lee
From: Russ Twitty
Subject: Koppers Industries, Inc.
Financial Assurance Mechanism for Post-Closure Care
Date: February 25, 1999

Attached is a request from Koppers to terminate their Trust Agreement for post-closure care and a sample termination notice. The termination notice must be signed by the Executive Director of the Department of Environmental Quality in order to terminate the trust. Also attached is a copy of Koppers' insurance policy which now provides adequate post-closure care liability for their closed impoundment.

2/25/99 - B. R. Fox PLACED CALL TO BENZON (KAROL YAKUBISIN
AT (412) 208-8808) TO DISCUSS DIFFERENT WORDING IN INSURANCE
POLICY AND DEDUCTABLE AMOUNT. - LEFT MESSAGE ON ANSWERING MACHINE

- RCT
2/25/99
- TRUST AGREEMENT

* CERTIFICATE 269.151
DEDUCTABLE ?

STEADFAST INSURANCE COMPANY

Endorsement No. 11

This Endorsement changes the Policy. Please read it carefully.

POLICY NUMBER	EFF. DATE OF POLICY	EXP. DATE OF POLICY	EFF. DATE OF END.	PRODUCER	ADD'L PREM.	RETURN PREM.
PLC 3553417-03	12/31/2001	08/15/2002	02/01/2002	18347000	N/A	N/A

NAMED INSURED: Beazer East, Inc.

ADDRESS: 3000 Oxford Centre
Pittsburgh, Pennsylvania 35601

This endorsement modifies insurance provided by the following:

CLOSURE AND POST-CLOSURE INSURANCE POLICY

CLAIMS MADE FORM

It is hereby understood and agreed that Endorsement No. 9 is deleted in its entirety and replaced with the following.

Item 5.	Limit of Liability:	<u>Coverage A</u>	<u>Coverage B</u>
	Facility A:	N/A	\$817,442
	Total Policy Aggregate:	\$817,442	
Item 6.	Deductible:	<u>Coverage A</u>	<u>Coverage B</u>
		N/A	\$817,442

All other terms and conditions remain unchanged.

Countersigned this

1st

day of

February, 2002

Edward L. Sheffield
Authorized Representative

Beazer

BEAZER EAST, INC., ONE OXFORD CENTRE, SUITE 3000, PITTSBURGH, PA 15219

November 24, 1998

Certified Mail
Return Receipt Requested
Z 126 496 574

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ends December 31, 1998.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

Current Estimates

<u>Facility & ID Number</u>	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	1,559,779	1,559,779

As previously noted in our November 19, 1998 letter, Beazer has elected to substitute insurance as an alternate financial assurance mechanism in place of its letter of credit to satisfy its post-closure care liability requirements.

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Page 2

Provided herein is a copy of the closure/post-closure insurance policy #PLC3553417-00 and the declarations reflecting the appropriate face amount. We will submit the related certificate of insurance for closure and/or post-closure under separate cover. We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of December 31, 1998.

If you require any additional information or further clarification, please contact Beverly Yakubisin at (412) 208-8808.

Sincerely yours,

A handwritten signature in black ink, appearing to read "K. M. Mance", written over a horizontal line.

Karen M. Mance
Chief Financial Officer

Enclosures

Steadfast Insurance Company

Endorsement #1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER	EFF. DATE OF POL.	EXP. DATE OF POL.	EFF. DATE OF END.	PRODUCER	ADD'L. PREM.	RETURN PREM.
PLC 3553417-00	11/6/98	12/31/99	11/6/98	#18723	\$471	N/A

This endorsement is issued by the company named in the Declarations. It changes the policy on the effective date listed above at the hour stated in the Declarations.

NAMED INSURED:

Beazer East, Inc.

ADDRESS:

3000 Oxford Centre

Pittsburgh, Pennsylvania 15219

This endorsement modifies insurance provided by the following:

**CLOSURE AND POST-CLOSURE INSURANCE POLICY
CLAIMS MADE FORM**

In consideration of the additional premium paid, \$471, it is hereby understood and agreed that Item 2. Policy Period of the Declarations Page is deleted and replaced with the following:

Item 2. POLICY PERIOD:

From: November 6, 1998 12:01 A.M., Standard Time at the address shown in Item 1 of these Declarations.

To: December 31, 1999 12:01 A.M., Standard Time at the address shown in Item 1 of these Declarations.

All other terms and conditions remain unchanged.

Countersigned


Authorized Representative

Steadfast Insurance Company

Dover, Delaware
1400 American Lane
Schaumburg, Illinois 60196-1056

Closure and Post-Closure Insurance Policy Financial Assurance DECLARATIONS

This is a Claims Made Policy - Please Read Carefully

Policy Number: PLC 3553417-00

Item 1. Insured: Beazer East, Inc.
Address: 3000 Oxford Centre
Pittsburgh, PA 15219

Item 2. Policy Period:
From: November 6, 1998 12:01 A.M., Standard Time at the address shown in
Item 1 of these Declarations.
To: November 6, 1999 12:01 A.M., Standard Time at the address shown in
Item 1 of these Declarations.

Item 3. Retroactive Date: November 6, 1998 12:01 A.M., Standard Time at the
address shown in Item 1 of these Declarations,

Item 4. Covered FACILITY: The coverage afforded under this Policy shall apply
only to the following FACILITY:

Facility A: Koppers Industries, Inc.
Grenada Plant
P.O. Box 160
Grenada, Mississippi 38960
MSD 007027543

Item 5.	Limit Of Liability:	<u>Coverage A</u>	<u>Coverage B</u>
	Facility A:	N/A	\$1,559,779
	Total Policy Aggregate:	\$1,559,779	
Item 6.	Deductible:	\$1,559,779	
Item 7.	Policy Premium:	\$3,120	

Broker: Sedgwick Environmental Services
3401 West End Avenue, Suite 180
Nashville, TN 37203

Countersigned this 19th day of

November, 1998



Authorized Representative

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STEADFAST INSURANCE COMPANY
CLOSURE -- POST CLOSURE ENVIRONMENTAL
LIABILITY POLICY

CLAIMS MADE COVERAGE

This is a Claims-Made and reported Policy. This Policy has certain provisions and requirements unique to it and may be different from other policies an Insured may be insured under.

In consideration of payment of the premium as scheduled by Endorsement to the policy and in reliance upon the statements in the Application and Declarations and subject to the Limits of Liability, Exclusions, Conditions and other terms of this Policy, Steadfast Insurance Company ("Company") agrees with the INSURED named in the Declarations made a part hereof:

I. INSURING AGREEMENT

A. Closure Coverage

To pay on behalf of the NAMED INSURED for CLOSURE COSTS, where the NAMED INSURED has given the Company notice of the CLOSURE for which the NAMED INSURED has become legally obligated by CLOSURE of a WASTE FACILITY designated in the Declarations, and upon receipt by the Company of written determination by the REGULATORY BODY that the CLOSURE COSTS expended are in accordance with the CLOSURE PLAN.

B. Post Closure Coverage

To pay on behalf of the INSURED for POST CLOSURE COSTS, where the NAMED INSURED has given the Company notice of the POST CLOSURE for which the NAMED INSURED has become legally obligated by the POST CLOSURE of a WASTE FACILITY designated in the Declarations, and upon receipt by the Company of written determination by the REGULATORY BODY that the POST CLOSURE COSTS expended are in accordance with the POST CLOSURE PLAN.

II. DEFINITIONS

- A. **BODILY INJURY** means physical injury, sickness or disease, mental anguish or emotional distress when accompanied by physical injury, sustained by any person, including death resulting therefrom.
- B. **CLAIM** means a written demand received a NAMED INSURED seeking a remedy and alleging liability or responsibility on the part of an NAMED INSURED.
- C. **CLEAN-UP COSTS** means expenses incurred in the removal or remediation of contaminants,

irritants, or pollutants, arising from ENVIRONMENTAL IMPAIRMENT.

- D. **CLOSURE** means a partial or final closing of a WASTE FACILITY as defined in the CLOSURE PLAN.
- E. **CLOSURE COSTS** means costs expended to implement the CLOSURE PLAN but only up to the limit of liability shown in the Declarations.
- F. **CLOSURE PLAN** means the written closure plan attached to the Policy as Appendix A and made a part hereof, provided that such plan is filed, prepared, and documented in compliance with the law.
- G. **ENVIRONMENTAL IMPAIRMENT** means the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids, or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.
- H. **FINAL CLOSURE** means final closing of a WASTE facility as defined in the CLOSURE PLAN.
- I. **WASTE FACILITY** means the permitted unit(s) designated in Item 4 of the Declarations.
- J. **NAMED INSURED** means the person or organization named in the Declarations.
- K. **POST-CLOSURE** means the maintenance of a WASTE FACILITY pursuant to the POST CLOSURE PLAN following FINAL CLOSURE.

L. POST-CLOSURE COSTS means COSTS expended to implement POST CLOSURE PLAN, but only up to limit of liability shown in the Declarations.

M. POST-CLOSURE PLAN means the written POST-CLOSURE PLAN attached to this Policy as Appendix B and made a part hereof, provided that such plan is prepared, and documented in compliance with the law.

N. PROPERTY DAMAGE means (a) physical injury to, or destruction of tangible property, including loss of use, profits or investments or diminution in value of property at any time resulting from the physical injury or destruction; (b) the loss of use of tangible property which has not been physically injured or destroyed; and (c) any injury to, impairment of, or destruction of any intangible property or rights of any nature, whether related to tangible property or not.

O. REGULATORY BODY means the Regional Administrator of the United States Environmental Protection Agency or the designated State Administrator in the state where the WASTE FACILITY named in the Declarations is located.

III. EXCLUSIONS

This Policy does not apply to:

- A. CLEAN UP COSTS incurred outside of the legal boundaries of the WASTE FACILITY designated in the Declarations;
- B. CLEAN-UP COSTS incurred within the legal boundaries of the WASTE FACILITY unless incurred as part of the CLOSURE PLAN or POST CLOSURE PLAN;
- C. BODILY INJURY or PROPERTY DAMAGE;
- D. any criminal or civil penalties including claims for damages to natural resources; or
- E. any legal fees or expenses including expert or consultant fees incurred in the defense of the NAMED INSURED for any reason arising out of the CLOSURE or POST-CLOSURE of the WASTE FACILITY;

F. CLOSURE COSTS or POST-CLOSURE COSTS not stated in the CLOSURE PLAN or POST-CLOSURE PLAN attached hereto as Appendix A or B, respectively; or

G. CLOSURE COSTS or POST-CLOSURE COSTS which have not been determined by the REGULATORY BODY to be in accordance with the CLOSURE PLAN.

IV. LIMITS OF LIABILITY

A. The limit(s) of liability stated in the Declarations for each WASTE FACILITY and each Insuring Agreement are separate and independent Limits of Liability and shall not exceed the amounts so stated.

In the event of cancellation of the policy for non-payment of premium, the limits of liability shall be subject to the conditions outlined in Section V., paragraph G of this policy.

V. CONDITIONS

A. PREMIUM: The full Policy Premium for all coverages hereunder shall be payable in accordance with the premium set forth in Item 7 of the Declarations. It is a condition precedent of coverage under this policy that the full amount of each premium installment be actually received by the Company in accordance with said schedule for coverage to be or continue to be effective.

B. INSPECTION AND AUDIT: The Company or its designee shall be permitted but not obligated to inspect the NAMED INSURED's WASTE FACILITY at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the NAMED INSURED or others, to determine or warrant that such property or operations are safe or healthful or are in compliance with any laws, rule or regulation. The Company or its designee may examine and audit the NAMED INSURED's books and records at any time during the Policy Period and extensions thereof, as far as they relate to the subject matter of this insurance, and within any periods of FINAL CLOSURE or POST-CLOSURE for which

coverage is provided whether or not this policy has expired at the

- C. **ACTION AGAINST THE COMPANY:** No action shall lie against the Company unless, as a condition precedent thereto, the NAMED INSURED shall have fully complied with all the terms and conditions hereof, including payment of premium installments as set forth in Conditions, Section V. paragraph A: but in no event shall action lie against the Company by any party not a party to this contract.
- D. **ASSIGNMENT:** This Policy may not be assigned to a successor owner or operator of any WASTE FACILITY without the consent of the Company, which shall not be unreasonably withheld, provided the Company shall have received 60 days prior written notice of such intent to assign.
- E. **REGULATORY PROVISIONS:** Any term or condition of this policy to which any federal or state administrative or regulatory provisions apply shall be governed only by those regulations or provisions in effect at the inception date of this policy.
- F. **CANCELLATION AND NON-RENEWAL:** The Company shall not cancel, terminate, or fail to renew the coverages provided herein except for failure to pay the full premium in accordance with the schedule shown in the Declarations, or as a result of fraud or misrepresentation on the part of the NAMED INSURED or its agents in the procurement of this policy or any subsequent endorsements, amendments or modifications thereto. The Company shall notify the NAMED INSURED of its intent to cancel, terminate or not to renew by sending, by certified mail, to the NAMED INSURED at the address shown in this policy and to the REGULATORY BODY, written notice stating the date (not less than 120 days thereafter) that cancellation shall be effective allowing time for receipt of notice on which such cancellation shall be effective.

This policy may be canceled by the NAMED INSURED pursuant to applicable statute, by mailing to the Company written notice stating the date thereafter the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Policy Period.

In the event of (i) cancellation or non-renewal by the NAMED INSURED or (ii) cancellation by the Company for nonpayment of premium, the full Policy Premium shown in Item 7 of the Declarations or any partial premium payments made to date shall be deemed earned and the unpaid portion thereof shall be immediately due and payable.

Upon the effective date of cancellation by the NAMED INSURED indemnity obligations on the part of the Company hereunder shall automatically cease and the NAMED INSURED shall have no further recourse against the Company with respect to unpaid CLOSURE COSTS and/or unpaid POST-CLOSURE COSTS by the Company.

G. **INSURED'S DUTIES IN THE EVENT OF CLOSURE OR POST-CLOSURE.**

1. The NAMED INSURED shall provide the Company with a duplicate of any notice it is required by law to give to the REGULATORY BODY regarding the event of CLOSURE and/or POST-CLOSURE.
2. In the event that CLOSURE results from the assertion of a CLAIM by a third party including any REGULATORY BODY, the NAMED INSURED shall immediately forward to the Company any demand or notice regarding the FINAL CLOSURE or POST-CLOSURE received by the NAMED INSURED or their representative.

The NAMED INSURED shall cooperate with the Company and, upon the Company's request, assist in obtaining information relative to any CLOSURE COST or POST-CLOSURE COST.

3. Any notices required by these conditions shall be sent to the Company at

Environmental Counsel
Steadfast Insurance Company
One Liberty Plaza
165 Broadway 53rd Floor
New York, NY 10006

Director of Environmental Claims
Zurich Insurance Company'
Environmental Claims Office
1400 American Lane
Schaumburg, Illinois 60196-1056

H. APPLICATION AND DECLARATIONS: By acceptance of this policy, the NAMED INSURED agrees that the statements in the application and Declarations are their agreements and representations and that they form a part of this policy, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the NAMED INSURED and the Company or any of its agents, relating to this insurance.

I. CONCEALMENT, FRAUD: In the event that, either before or after claim for FINAL CLOSURE or POST-CLOSURE is first made, the NAMED INSURED has willfully concealed or misrepresented any fact, whether material or not, or circumstance concerning this insurance or the subject of it, including any claim for loss, or the interest of the NAMED INSURED in it or in any case of any fraud or false swearing by the NAMED INSURED relating to this insurance or its subject, then the NAMED INSURED shall indemnify the Company in full for any and all loss, damage or expense which the Company sustains or will sustain by reason of such actions by the NAMED INSURED. Such willful concealment or misrepresentation may, at the discretion solely of the Company, void the policy.

J. CHANGES: Notices to any agent or broker or knowledge possessed by any agent, broker or by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of the policy; nor shall the terms of this policy be waived or changed nor shall any privilege or permission affecting the insurance

under this policy exist or be claimed by the NAMED INSURED, except by endorsement signed by both the NAMED INSURED and the Company issued to form a part of this policy.

K. SUBROGATION: In the event of any payment under this policy, the Company shall be subrogated to all the NAMED INSURED'S rights of recovery against any person or organization and the NAMED INSURED shall execute and deliver instruments, papers and do whatever else is necessary to secure such rights. The NAMED INSURED shall do nothing after loss to prejudice such rights.

L. SOLE AGENT: The NAMED INSURED first named in Item 1 of the Declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal.

M. CHOICE OF LAW: In the event that the NAMED INSURED and the Company dispute the meaning, interpretation or operation of any terms, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the NAMED INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the NAMED INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.

Fi.
C. W. Attys



Beazer East, Inc.

One Oxford Centre, Suite 3000, Pittsburgh PA 15219

February 8, 1999

Mr. Jerry Banks
Mississippi Department of Environmental Quality
Hazardous Waste Division
P.O. Box 10385
Jackson, MS 39289-0385

RE: Trust Agreement dated December 24, 1996
Account #1029-6F
Termination of Trust
Beazer East, Inc., EPA I.D. MSD 007027543

Dear Mr. Banks:

As you are aware, Beazer East, Inc. (BEI) now has an insurance policy (PLC 3553417-00) in place to fulfill its RCRA financial requirements. The policy declarations and Certificate of Insurance were sent in previous correspondences.

Prior to the insurance policy, BEI elected to use Letter of Credit #70890 as its financial instrument in satisfying RCRA requirements. This Letter of Credit expired December 27, 1998 and was not renewed due to the financial mechanism replacement.

Although the Letter of Credit is no longer in place, the accompanying Standby Trust Agreement (Trust) has not yet been terminated. According to Section 17 of the Trust, the Trust shall continue until terminated at the written agreement of the Grantor (BEI), the Trustee (Mellon Bank), and the Executive Director of the Mississippi Department of Environmental Quality. Until the bank has your written notice, the Trust will remain open and administrative fees will continue to be assessed.

BEI is awaiting your approval to terminate the Trust. Your termination notice (sample attached) should be sent directly to Mr. Bruce Karhu at the address listed below with a copy to the undersigned:

Mr. Bruce Karhu-Vice President
Chase Manhattan Trust-Global Trust
One Oxford Centre-Suite 1100
Pittsburgh, PA 15219

Please feel free to call me at 412-208-8808 if you have any questions.

Sincerely yours,

Beverly K. Yakubisin
Accounting Manager

Enclosure

(letterhead of beneficiary)

date

Mr. Bruce Karhu-Vice President
Chase Manhattan Trust-Global Trust
One Oxford Centre-Suite 1100
Pittsburgh, PA 15219

RE: Trust Agreement dated December 24, 1996
Account #1029-6F
Termination of Trust
Beazer East, Inc., EPA I.D. MSD 007027543

Dear Mr. Karhu:

In accordance with Section 17 of the trust agreement between Beazer East, Inc., the Grantor, and Mellon Bank N.A. (now Chase Manhattan Trust), the Trustee, the Executive Director of the Mississippi Department of Environmental Quality hereby grants approval for the Chase Manhattan Trust to terminate this trust. Any remaining property, less final trust administration expenses, should be delivered to the Grantor.

Please contact _____ at () _____ if you have any questions or comments.

Sincerely,

Authorized signer

cc: Ms. Beverly K. Yakubisin, Beazer East, Inc.

W / Grenada
THE CHASE MANHATTAN BANK
GLOBAL TRUST SERVICES
450 WEST 33rd STREET
15th FLOOR
NEW YORK, N.Y. 10001



CHASE



Koppers

JERRY BANKS
MISSISSIPPI DEPT OF ENVIROMENTAL QUALITY
2380 HIGHWAY 80 WEST
JACKSON, MS 39204

C32748 01/01/98 - 12/31/98

TR BEAZER (GRENADA MS)
BEAZER EAST GRENADA ESCROW
(C32748)
BEAZER EAST, INC.

TRANSACTION STATEMENT

<u>TRANSACTION DATE</u>	<u>TRANSACTION DESCRIPTION</u>	<u>CASH AMOUNT</u>
01/01/1998	BEGINNING BALANCE	0.00
	** NO ACTIVITY FOR THIS MONTH **	
12/31/1998	ENDING BALANCE	0.00

THE CHASE MANHATTAN BANK
GLOBAL TRUST SERVICES
450 WEST 33rd STREET
15th FLOOR
NEW YORK, N.Y. 10001



JERRY BANKS
MISSISSIPPI DEPT OF ENVIROMENTAL QUALITY
2380 HIGHWAY 80 WEST
JACKSON, MS 39204

C32748 AS OF 12/31/1998

TR BEAZER (GRENADA MS)
BEAZER EAST GRENADA ESCROW
(C32748)
BEAZER EAST, INC.

STATEMENT OF ASSETS HELD

<u>PAR VALUE/ SHARES</u>	<u>ASSET DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>MARKET PRICE</u>	<u>MARKET VALUE</u>
------------------------------	--------------------------	-----------------------	-------------------------	-------------------------

**NO ASSETS ARE CURRENTLY HELD **

TOTAL CASH	0.00	0.00
TOTAL ASSETS	0.00	0.00

*** ATTN:

THE INFORMATION (INCLUDING, WITHOUT LIMITATION, MARKET VALUES) FURNISHED IN THIS REPORT HAS BEEN OBTAINED FROM SOURCES WHICH CHASE BELIEVES TO BE RELIABLE. HOWEVER, CHASE MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY, CURRENCY OR COMPLETENESS OF SUCH INFORMATION. CHASE FURNISHES SUCH INFORMATION TO THE CUSTOMER FOR ITS SOLE USE. THE CUSTOMER SHALL INDEMNIFY CHASE AGAINST ANY CLAIM, LOSS, LIABILITY OR EXPENSE WHICH MAY ARISE OUT OF THE USE OF SUCH INFORMATION BY ANYONE OTHER THAN THE CUSTOMER.

THE CHASE MANHATTAN BANK
GLOBAL TRUST SERVICES
450 WEST 33rd STREET
15th FLOOR
NEW YORK, N.Y. 10001



JERRY BANKS
MISSISSIPPI DEPT OF ENVIROMENTAL QUALITY
2380 HIGHWAY 80 WEST
JACKSON, MS 39204

C32748

AS OF 12/31/1998

TR BEAZER (GRENADA MS)
BEAZER EAST GRENADA ESCROW
(C32748)
BEAZER EAST, INC.

SUMMARY OF ASSETS HELD

ASSET CLASS DESCRIPTION

BOOK VALUE

MARKET VALUE

****NO ASSETS ARE CURRENTLY HELD ****

CASH

0.00

0.00

***** ATTN:**

THE INFORMATION (INCLUDING, WITHOUT LIMITATION, MARKET VALUES) FURNISHED IN THIS REPORT HAS BEEN OBTAINED FROM SOURCES WHICH CHASE BELIEVES TO BE RELIABLE. HOWEVER, CHASE MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY, CURRENCY OR COMPLETENESS OF SUCH INFORMATION. CHASE FURNISHES SUCH INFORMATION TO THE CUSTOMER FOR ITS SOLE USE. THE CUSTOMER SHALL INDEMNIFY CHASE AGAINST ANY CLAIM, LOSS, LIABILITY OR EXPENSE WHICH MAY ARISE OUT OF THE USE OF SUCH INFORMATION BY ANYONE OTHER THAN THE CUSTOMER.

BEAZER EAST, INC.
ENVIRONMENTAL GROUP
ONE OXFORD CENTER, SUITE 3000, PITTSBURGH PA 15219

RECEIVED
DEC 24 1997
Dept. of Environmental Quality
Office of Pollution Control

December 18, 1997

Certified Mail
Return Receipt Requested
P 450 750 534

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam,

The enclosed documentation is being submitted to fulfill the RCRA financial assurance requirements for Beazer East, Inc. (Beazer) for its most recent fiscal year which ended September 27, 1997.

The facilities located in Mississippi that are covered by this financial assurance mechanism are as follows:

<u>Facility and ID Number</u>	<u>Current</u> <u>Closure</u> <u>Cost</u>	<u>Estimates</u> <u>Post-Closure</u> <u>Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P. O. Box 160 Grenada, MS 38960 MSD 007027543	0	1,601,842	1,601,842

In accordance with Mississippi regulations, Beazer has elected to continue to demonstrate its financial assurance through the use of letters of credit. Attached is an amendment to Letter of Credit number 70890, issued by Chase Manhattan Bank dated December 16, assuring Beazer's post-closure cost estimates, that modifies Beazer East's address, extends the term of the letter of credit, and adjusts the amount as required.

December 18, 1997

Executive Director
Mississippi Department of Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Page 2

This amendment requires beneficiary consent. Kindly indicate your consent by signing the attached advice and returning it to the issuing bank to the attention of Ms. Michael Simpers.

We have also enclosed a detailed worksheet for each facility located in the state. The worksheets list all of the closure and/or post-closure cost estimates for the applicable units as of September 27, 1997. In accordance with Mississippi regulations, we are no longer required to adjust for inflation the post-closure cost estimates for units where closure has been certified. However, we are voluntarily continuing to inflate our estimates as we are deducting completed years of post-closure care from the post-closure cost estimates.

Other documentation provided in this mailing includes executed copies of the standby trust agreements and the related certificates of acknowledgment.

In closing, we would like to advise that Beazer is changing its fiscal year. Its fiscal year will now coincide with the calendar year. We will, therefore, have another year end in December 1997. Thus, we will be submitting another financial assurance filing in March 1998.

If you require any additional information or further clarification please contact the undersigned at (412) 208-8819.

Sincerely yours,



Karen M. Mance
Chief Financial Officer

Enclosures

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
September 27, 1997

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Mike Bollinger

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$	887,250
Less seven (7) years Post-Closure Care cost @ \$ 29,575 per year.			(207,025)
Adjusted Post-Closure Cost Estimate		\$	680,225
Boiler Ash Landfarm	11-30-87	\$	707,940
Less seven (7) years Post-Closure Care cost @ \$ 23,598 per year.			(165,186)
Adjusted Post-Closure Cost Estimate		\$	542,754

CALCULATIONS

1997 Cost Estim

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate has been voluntarily inflated to 1997 dollars.

Post-Closure

For 1989:	680,225	X	1.0357	=	\$	704,509	
For 1990:	704,509	X	1.0378	=	\$	731,139	
For 1991:	731,139	X	1.0410	=	\$	761,116	
For 1992:	761,116	X	1.0360	=	\$	788,516	
For 1993:	788,516	X	1.0263	=	\$	809,254	
For 1994:	809,254	X	1.0186	=	\$	824,306	
For 1995:	824,306	X	1.0150	=	\$	836,671	
For 1996:	836,671	X	1.0250	=	\$	857,588	
For 1997:	857,588	X	1.0227	=			\$ 877,055

The Boiler Ash Landfarm cost reflects 1987 dollars; the adjusted cost estimate has been voluntarily inflated to 1997 dollars.

Post-Closure

For 1988:	542,754	X	1.0357	=	\$	562,130	
For 1989:	562,130	X	1.0357	=	\$	582,198	
For 1990:	582,198	X	1.0378	=	\$	604,205	
For 1991:	604,205	X	1.0410	=	\$	628,977	
For 1992:	628,977	X	1.0360	=	\$	651,620	
For 1993:	651,620	X	1.0263	=	\$	668,758	
For 1994:	668,758	X	1.0186	=	\$	681,197	
For 1995:	681,197	X	1.0150	=	\$	691,415	
For 1996:	691,415	X	1.0250	=	\$	708,700	
For 1997:	708,700	X	1.0227	=			\$ 724,787

Total Cost Estimate for 1997:

\$ 1,601,842



CHASE MANHATTAN BANK DELAWARE

LETTER OF CREDIT DEPARTMENT

1201 MARKET STREET / P.O. BOX 8840, RODNEY SQUARE, WILMINGTON, DELAWARE 19899

DATE DECEMBER 16, 1997

IRREVOCABLE STANDBY LETTER OF CREDIT	OUR NO. 70890	
	APPLICANT BEAZER EAST, INC. ONE OXFORD CENTRE SUITE 3000 PITTSBURGH, PA 15219	
BENEFICIARY DIRECTOR MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY 2380 HIGHWAY 80 WEST JACKSON, MS 39204	AMOUNT US \$1,601,842.00*****	
	EXPIRY DECEMBER 27, 1998*****	

DEAR SIR OR MADAM:

WE HEREBY AMEND OUR CREDIT AS FOLLOWS: (AMENDMENT NO. 2).

- THE EXPIRY DATE IS EXTENDED TO DECEMBER 27, 1998.
- THE AMOUNT OF THE LETTER OF CREDIT IS DECREASED BY US \$32,548.00.
THE TOTAL AMOUNT OF THIS LETTER OF CREDIT IS NOT TO EXCEED US \$1,601,842.00.
- THE APPLICANT'S ADDRESS IS NOW TO READ AS FOLLOWS:
ONE OXFORD CENTRE
SUITE 3000
PITTSBURGH, PA 15219

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT REQUIRES BENEFICIARY CONSENT. KINDLY INDICATE YOUR CONSENT TO THIS AMENDMENT BY SIGNING AND RETURNING THE ATTACHED COPY OF THIS ADVICE.

Michael P. Handago
AUTHORIZED SIGNATURE
TITLE: VICE PRESIDENT

WE HEREBY CONSENT TO THIS AMENDMENT:

AUTHORIZED SIGNATURE DATE



CHASE MANHATTAN BANK DELAWARE

LETTER OF CREDIT DEPARTMENT

1201 MARKET STREET / P.O. BOX 8840, RODNEY SQUARE, WILMINGTON, DELAWARE 19899

DATE **DECEMBER 16, 1997**

IRREVOCABLE STANDBY LETTER OF CREDIT	OUR NO. 70890	
	APPLICANT BEAZER EAST, INC. ONE OXFORD CENTRE SUITE 3000 PITTSBURGH, PA 15219	
BENEFICIARY DIRECTOR MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY 2380 HIGHWAY 80 WEST JACKSON, MS 39204	AMOUNT US \$1,601,842.00***** EXPIRY DECEMBER 27, 1998*****	

DEAR SIR OR MADAM:

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THE TOTAL AMOUNT OF THIS LETTER OF CREDIT IS NOT TO EXCEED US \$1,601,842.00.
- THE APPLICANT'S ADDRESS IS NOW TO READ AS FOLLOWS:
ONE OXFORD CENTRE
SUITE 3000
PITTSBURGH, PA 15219

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS AMENDMENT REQUIRES BENEFICIARY CONSENT. KINDLY INDICATE YOUR CONSENT TO THIS AMENDMENT BY SIGNING AND RETURNING THE ATTACHED COPY OF THIS ADVICE.

Michael P. Handago

AUTHORIZED SIGNATURE

TITLE: VICE PRESIDENT

WE HEREBY CONSENT TO THIS AMENDMENT:

AUTHORIZED SIGNATURE

DATE

MISSISSIPPI

TRUST AGREEMENT

Trust Agreement, the "Agreement," entered into as of December 24, 1996 by and between Beazer East, Inc., a Delaware Corporation, the "Grantor," and Mellon Bank, N.A., a national banking association, the "Trustee."

Whereas, the Mississippi Department of Environmental Quality, "MDEQ," an agency of the state of Mississippi, has established certain regulations applicable to the Grantor, requiring that an owner or operator of a hazardous waste management facility shall provide assurance that funds will be available when needed for closure and/or post-closure care of the facility,

Whereas, the Grantor has elected to establish a trust to provide all or part of such financial assurance for the facilities identified herein,

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee,

Now, Therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Facilities and Cost Estimates.

This Agreement pertains to the facilities and cost estimates identified on attached Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund, the "Fund," for the benefit of MDEQ. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by MDEQ.

Section 4. Payment for Closure and Post-Closure Care. The Trustee shall make payments from the Fund as the Executive Director shall direct, in writing, to provide for the payment of the costs of closure and/or post-closure care of the facilities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the Executive Director from the Fund for closure and post-closure expenditures in such amounts as the Executive Director shall direct in writing.

In addition, the Trustee shall refund to the Grantor such amounts as the Executive Director specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

(i) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and

(iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 *et seq.*, including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the Executive Director a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the Executive Director shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions.

The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the Executive Director, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the Executive Director to the Trustee shall be in writing, signed by the Executive Director, or his designee, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or MDEQ hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or MDEQ, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee shall notify the Grantor and the Executive Director, by certified mail within 10 days following the expiration of the 30-day period after the anniversary of the establishment of the Trust, if no payment is received from the Grantor during that period.

After the pay-in period is completed, the Trustee shall not be required to send a notice of nonpayment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the Executive Director, or by the Trustee and the Executive Director if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the Executive Director, or by the Trustee and the Executive Director, if the Grantor ceases to exist.

Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the Executive Director issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 19. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Mississippi.

Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written: The parties below certify that the wording of this Agreement is identical to the wording specified in 40 CFR 264.151(a)(1) as such regulations were constituted on the date first above written.

Beazer East, Inc.:
(Grantor)

ATTEST:

Sally M. Karanzas
Title: Assistant Secretary
Sally M. Karanzas

Karen M. Mance (Seal)
Karen M. Mance
CFO-Controller

ATTEST:

B. J. Karhu
Title: ASSISTANT OFFICER

Mellon Bank, N.A.:

Bruce J. Karhu (Seal)
Bruce J. Karhu
Assistant Vice President

SCHEDULE A

Identification of Facilities and Cost Estimates

EPA Identification Number: MSD 007027543

**Koppers Industries, Inc.
Grenada Plant
P. O. Box 160
Grenada, MS 38960**

Closure Cost:	0
Post-Closure Cost:	1,601,842
Total Cost:	1,601,842

SCHEDULE B

Letter of Credit Number:

70890

To the Amount Of \$

1,601,842

Issued by:

**Chase Manhattan Bank Delaware
Trade Services Department
1201 Market Street
Wilmington, Delaware 19801**

EXHIBIT A

Beazer East, Inc.

Craig C. Sergeant	Vice President & Vice President of Benchmark Materials & Spectrum Construction Divisions
Charles D. Carpenter	Vice President & Vice President of Benchmark Materials & Spectrum Construction Divisions
David J. Eastwood	Vice President & President of Spectrum Construction Division
Roy D. Reeves	Vice President & President of Benchmark Materials Division
Jill M. Blundon	Vice President, General Counsel & Secretary
James P. Brennan	Vice President & General Manager
Peter J. Statile	Vice President
Karen M. Mance	Chief Financial Officer
Keith D. Terreri	Treasurer
Cecil C. Avery	Assistant Secretary
Billie S. Flaherty	Assistant Secretary
Sally M. Karanzas	Assistant Secretary
C. Howard Nye	Assistant Secretary
Mary D. Wright	Assistant Secretary



BEAZER EAST, INC., 436 SEVENTH AVENUE, PITTSBURGH, PA 15219

Certified Mail
Return Receipt Requested
Z 306 235 544

DKP
2/4/96
Ramos OK
December 28, 1995

Executive Director
Mississippi Department of
Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. for its most recent fiscal year which ended September 30, 1995.

Among other documents submitted, a detailed worksheet is enclosed for each facility. The worksheets list the closure and/or post-closure cost estimates as of September 30, 1995, that are contained in pending or approved closure and/or post-closure plans. Inflation adjustment calculations have been made, where required, using the most recent inflation factor available of 1.015.

Please feel free to contact me by calling (412) 227-2574 or by writing to the above address if you have any questions or need additional information.

Sincerely yours,

Karen M. Mance
Chief Financial Officer

Enclosures



CLOSURE/POST – CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
September 30, 1995

Mississippi

FACILITY NAME: Koppers Industries, Inc.
Grenada
MSD 007027543

Program Manager: Rob Markwell

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post–Closure Cost Estimate
Surface Impoundment	06–08–88		\$ 887,250
Less five (5) years Post–Closure Care cost @ \$ 29,575 per year.			(147,875)
Adjusted Post–Closure Cost Estimate			\$ 739,375
Boiler Ash Landfarm	11–30–87		\$ 707,940
Less five (5) years Post–Closure Care cost @ \$ 23,598 per year.			(117,990)
Adjusted Post–Closure Cost Estimate			\$ 589,950

CALCULATIONS

1995 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate must be inflated to 1995 dollars

Post–Closure

For 1989:	739,375	X	1.0357	=	\$	765,771	
For 1990:	765,771	X	1.0378	=	\$	794,717	
For 1991:	794,717	X	1.0410	=	\$	827,300	
For 1992:	827,300	X	1.0360	=	\$	857,083	
For 1993:	857,083	X	1.0263	=	\$	879,624	
For 1994:	879,624	X	1.0186	=	\$	895,985	
For 1995:	895,985	X	1.0150	=			\$ 909,425

The Boiler Ash Landfarm cost reflects 1987 dollars; the adjusted cost estimate must be inflated to 1995 dollars.

Post–Closure

For 1988:	589,950	X	1.0357	=	\$	611,011	
For 1989:	611,011	X	1.0357	=	\$	632,824	
For 1990:	632,824	X	1.0378	=	\$	656,745	
For 1991:	656,745	X	1.0410	=	\$	683,672	
For 1992:	683,672	X	1.0360	=	\$	708,284	
For 1993:	708,284	X	1.0263	=	\$	726,912	
For 1994:	726,912	X	1.0186	=	\$	740,433	
For 1995:	740,433	X	1.0150	=			\$ 751,539

Total Cost Estimate for 1995:

\$ 1,660,964



BEAZER EAST, INC., 436 SEVENTH AVENUE, PITTSBURGH, PA 15219

Letter From Chief Financial Officer

December 28, 1995

Executive Director
Mississippi Department of Natural Resources
P. O. Box 10385
Jackson, Mississippi 39289-0385

Re: Financial Assurance Documents

Dear Sir or Madam:

I am the chief financial officer of Beazer East, Inc., (formerly Koppers Company, Inc.) 436 Seventh Avenue, Pittsburgh, Pennsylvania 15219-1822. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure and/or post-closure care as specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265.

The firm identified above is the owner or operator of the following facilities for which liability coverage for both sudden and nonsudden accidental occurrences is being demonstrated through the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265:

Koppers Industries, Inc.
Grenada Plant
P.O. Box 160
Grenada, Mississippi 38960
MSD 007027543

The firm identified above guarantees, through the guarantee specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, liability coverage for both sudden and nonsudden accidental occurrences at the following:

None.

December 28, 1995

1. The firm identified above owns or operates the following facilities for which financial assurance for closure or post-closure care or liability coverage is demonstrated through the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility.

<u>Facility and ID Number</u>	<u>Current Estimates</u>		
	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P.O. Box 160 Grenada, Mississippi 38960 MSD 007027543	\$	\$ 1,660,964	\$ 1,660,964

2. The firm identified above guarantees, through the guarantee specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, the closure and post-closure care or liability coverage of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

None

3. In states where DNR is not administering the financial requirements of Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, this firm is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265. The current closure or post-closure cost estimates covered by such a test are shown for each facility:

<u>Facility and ID Number</u>	<u>Current Estimates</u>		
	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
See Attachment "A" (Includes Mississippi)	\$ 4,965,560	\$ 24,492,069	\$ 29,457,629

December 28, 1995

4. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanisms specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates as required by Mississippi Hazardous Waste Management Regulations Part 144.62 are shown for each facility:

None

This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on September 30. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended September 30, 1995.

December 28, 1995

PART B. LIABILITY COVERAGE AND FINANCIAL ASSURANCE

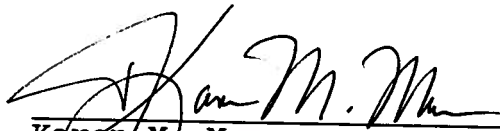
ALTERNATIVE II

1. Sum of current closure and post-closure cost estimates
(total of all cost estimates listed above.) \$ 29,457,629
2. Amount of annual aggregate liability coverage
to be demonstrated. \$ 28,000,000
3. Sum of lines 1 and 2. \$ 57,457,629
4. Current bond rating of most recent issuance and
name of rating service Standard & Poor A+
5. Date of issuance of bond December 22, 1994
6. Date of maturity of bond December 22, 2000
- *7. Tangible net worth (if any portion of the closure
and/or post-closure cost estimates is included in
"total liabilities" on your financial statements
you may add that portion to this line) \$ 521,453,000
- *8. Total assets in the U. S. (required only if less
than 90 % of assets are located in the U. S.) Not applicable

	YES	NO
9. Is line 7 at least \$10 million ?	X	
10. Is line 7 at least 6 times line 3 ?	X	
*11. Are at least 90 % of assets located in the U. S. ? If not, complete line 12.	X	
12. Is line 8 at least 6 times line 3 ?	Not Applicable	

December 28, 1995

I hereby certify that the wording of this letter is identical to the wording specified in the Mississippi Hazardous Waste Management Regulations 264.151(g) as such regulations were constituted on the date shown immediately below.



Karen M. Mance
Chief Financial Officer

December 28, 1995

Attachment

ATTACHMENT A

Facility & Location	1 9 9 5 Cost Estimates			
	Closure	Post-Closure		Total
Koppers Industries, Inc. Little Rock Plant P.O. Box 3231 N. Little Rock, AR 72117 ARD 006344824	\$ 0	\$ 2,365,629	\$	2,365,629
Koppers Industries, Inc. Feather River Plant P.O. Box 351 Oroville, CA 95965 CAD 009112087	\$ 2,278,314	\$ 80,767	\$	2,359,081
Koppers Industries, Inc. Denver Plant 465 West 56th Avenue Denver, CO 80216 COD 007077175	\$ 268,154	\$ 1,385,629	\$	1,653,783
Beazer East, Inc. Maui Plant P. O. Box 1650 Maui, Hawaii 96732 HID 059475210	\$ 12,014	\$ 0	\$	12,014
Koppers Industries, Inc. Carbondale Plant P.O. Box 271 Carbondale, IL 62901 ILD 000819946	\$ 1,068,359	\$ 6,240,750	\$	7,309,109
Koppers Industries, Inc. Galesburg Plant P.O. Box 1191 Galesburg, IL 61401 ILD 990817991	\$ 9,159	\$ 0	\$	9,159
Beazer East, Inc. Hocomonco Pond Smith Valve & Otis Avenue Westborough, MA 01581	\$ 0	\$ 259,297	\$	259,297

ATTACHMENT A

Facility & Location	1995 Cost Estimates			
	Closure	Post-Closure		Total
Koppers Industries, Inc. Grenada Plant P.O. Box 160 Grenada, MS 38960 MSD 007027543	\$ 0	\$ 1,660,964	\$	1,660,964
Beazer East, Inc. Kansas City Plant P.O. Box 8057 Kansas City, MO 64129 MOD 007146517	\$ 0	\$ 342,563	\$	342,563
Koppers Industries, Inc. Port Newark Plant Maritime & Tyler Streets Port Newark, NJ 07114 NJD 000542282	\$ 4,975	\$ 0	\$	4,975
Beazer East, Inc. Parr - West 5151 Denison Avenue Cleveland, OH 44102 OHD 060431947	\$ 7,491	\$ 0	\$	7,491
Beazer East, Inc. Youngstown Plant P.O. Box 1137 Youngstown, OH 44501 OHD 004198784	\$ 285,930	\$ 1,423,794	\$	1,709,724
Koppers Industries, Inc. Charleston Superfund Site Charleston, South Carolina	\$ 0	\$ 3,060,000	\$	3,060,000
Koppers Industries, Inc. Florence Plant P.O. Box 1725 Florence, SC 29503 SCD 003353026	\$ 0	\$ 2,683,146	\$	2,683,146

ATTACHMENT A

Facility & Location	1995 Cost Estimates			
	Closure	Post-Closure		Total
Koppers Industries, Inc. Houston Tar Plant P.O. Box 96150 Houston, TX 77015 TXD 008089021	\$ 513,209	\$ 0	\$	513,209
Beazer East, Inc. Richmond Plant 4005 Charles City Road Richmond, VA 23231 VAD 003121977	\$ 0	\$ 1,016,284	\$	1,016,284
Koppers Industries, Inc. Roanoke Plant 4020 Koppers Road Salem, VA 24153 VAD 003125770	\$ 13,538	\$ 598,854	\$	612,392
Beazer East, Inc. Colliers Landfill P.O. Box M Follansbee, WV 26037 WVD 980707178	\$ 0	\$ 1,665,831	\$	1,665,831
Koppers Industries, Inc. Follansbee Plant P.O. Box 98 Follansbee, WV 26037 WVD 004336749	\$ 504,417	\$ 746,161	\$	1,250,578
Koppers Industries, Inc. Green Spring Facility Green Spring, WV WVD 003080959	\$ 0	\$ 962,400	\$	962,400

ATTACHMENT A

SUMMARY

Total Closure Costs for 1995	\$ 4,965,560
Total Post—Closure Costs for 1995	\$ 24,492,069
Total Closure/Post— Closure Costs for 1995	\$ 29,457,629

Board of Directors
and Management
Beazer East, Inc.

REPORT OF INDEPENDENT ACCOUNTANTS

At your request, we have read your letter dated December 28, 1995 responding to the financial assurance requirements of the Mississippi Hazardous Waste Management Regulations (Subpart H, Parts 264 and 265) and compared the data which you have specified as derived from the consolidated balance sheet of Beazer East, Inc. as of September 30, 1995, or checked the computation of such specified data using the amounts included in the aforementioned financial statements. In connection with these procedures, no matters came to our attention that caused us to believe that the specified data should be adjusted.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the specified data mentioned above. We have audited Beazer East, Inc.'s consolidated balance sheet in accordance with generally accepted auditing standards and, in our report dated November 7, 1995, expressed an unqualified opinion on such balance sheet as of September 30, 1995, from which the specified data was derived.

Our procedures were performed solely to assist you in complying with the regulations of the Mississippi Hazardous Waste Management Regulations and this letter is not to be used for any other purpose.

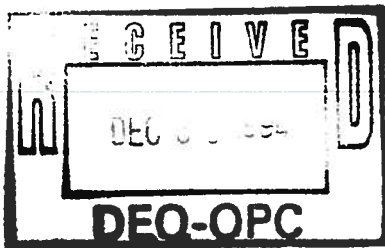


Hackensack, New Jersey
December 28, 1995



BEAZER EAST, INC., 436 SEVENTH AVENUE, PITTSBURGH, PA 15219

Z 120 264 236
Certified Mail
Return Receipt Requested



December 28, 1994

Executive Director
Mississippi Department of
Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

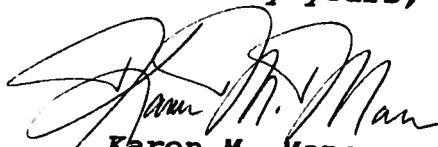
Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. for its most recent fiscal year which ended October 1, 1994.

Among other documents submitted, a detailed worksheet is enclosed for each facility. The worksheets list the closure and/or post-closure cost estimates as of October 1, 1994, that are contained in pending or approved closure and/or post-closure plans. Inflation adjustment calculations have been made, where required, using the most recent inflation factor available of 1.0186.

Please feel free to contact me by calling (412) 227-2574 or by writing to the above address if you have any questions or need additional information.

Sincerely yours,


Karen M. Mance
Controller

DIVISION OF SOLID WASTE
REVIEWED BY JKP
DATE 1-14-95
COMMENTS _____

Enclosures

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
October 1, 1994

Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Rob Markwell

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post-Closure Cost Estimate
Surface Impoundment	06-08-88	\$	887,250
Less four (4) years Post-Closure Care cost @ \$ 29,575 per year.			(118,300)
Adjusted Post-Closure Cost Estimate		\$	768,950
Boiler Ash Landfarm	11-30-87	\$	707,940
Less four (4) years Post-Closure Care cost @ \$ 23,598 per year.			(94,392)
Adjusted Post-Closure Cost Estimate		\$	613,548
Waste Piles (1)	06-06-91	\$ 148,490	N/A

(1) Regulations covering the material in the soil pile came into effect June 6, 1991. A closure plan has been prepared based on the technical correction to the new regulations, published in July, 1991. Because the technical correction clarified that the soil in the soil pile was, in fact, covered under the new regulations effective prior to the Beazer fiscal year-end, financial assurance is being provided.

CALCULATIONS

1994 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate must be inflated to 1994 dollars

Post-Closure

For 1989:	768,950	X	1.0357	=	\$	796,402
For 1990:	796,402	X	1.0378	=		826,506
For 1991:	826,506	X	1.0410	=		860,393
For 1992:	860,393	X	1.0360	=		891,367
For 1993:	891,367	X	1.0263	=		914,810
For 1994:	914,810	X	1.0186	=		
					\$	931,825

CLOSURE/POST - CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
October 1, 1994

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Rob Markwell

Page Two

CALCULATIONS CONTINUED

1994 Cost Estimates

The Boiler Ash Landfarm cost reflects 1987 dollars; the adjusted cost estimate must be inflated to 1994 dollars.

Post-Closure

For 1988:	613,548	X	1.0357	= \$	635,452	
For 1989:	635,452	X	1.0357	=	658,138	
For 1990:	658,138	X	1.0378	=	683,016	
For 1991:	683,016	X	1.0410	=	711,020	
For 1992:	711,020	X	1.0360	=	736,617	
For 1993:	736,617	X	1.0263	=	755,990	
For 1994:	755,990	X	1.0186	=		\$ 770,051

The Waste Piles cost reflects 1991 dollars; this estimate must be inflated to 1994 dollars.

Closure

For 1992:	148,490	X	1.0360	= \$	153,836	
For 1993:	153,836	X	1.0260	=	157,836	
For 1994:	157,836	X	1.0186	=		\$ 160,772

Total Cost Estimate for 1994:

\$ 1,862,648

Note: The 1994 Inflation Factor of 1.0186 was calculated by dividing the Implicit Price Deflator of 125.8 for the second quarter, 1994 by the adjusted 1993 Implicit Price Deflator of 123.5, as reported by the Department of Commerce.



BEAZER EAST, INC., 436 SEVENTH AVENUE, PITTSBURGH, PA 15219 USA

Letter From Chief Financial Officer

December 28, 1994

**Executive Director
Mississippi Department of Natural Resources
P. O. Box 10385
Jackson, Mississippi 39289-0385**

Re: Financial Assurance Documents

Dear Sir or Madam:

I am the chief financial officer of Beazer East, Inc., (formerly Koppers Company, Inc.) 436 Seventh Avenue, Pittsburgh, Pennsylvania 15219-1822. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure and/or post-closure care as specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265.

The firm identified above is the owner or operator of the following facilities for which liability coverage for both sudden and nonsudden accidental occurrences is being demonstrated through the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265:

**Koppers Industries, Inc.
Grenada Plant
P.O. Box 160
Grenada, Mississippi 38960
MSD 007027543**

The firm identified above guarantees, through the guarantee specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, liability coverage for both sudden and nonsudden accidental occurrences at the following:

None.

December 28, 1994

1. The firm identified above owns or operates the following facilities for which financial assurance for closure or post-closure care or liability coverage is demonstrated through the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility.

<u>Facility and ID Number</u>	<u>Current Estimates</u>		
	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P.O. Box 160 Grenada, Mississippi 38960 MSD 007027543	\$ 160,772	\$ 1,701,876	\$ 1,862,648

2. The firm identified above guarantees, through the guarantee specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, the closure and post-closure care or liability coverage of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

None

3. In states where DNR is not administering the financial requirements of Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, this firm is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265. The current closure or post-closure cost estimates covered by such a test are shown for each facility:

<u>Facility and ID Number</u>	<u>Current Estimates</u>		
	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
See Attachment "A" (Includes Mississippi)	\$ 6,066,559	\$ 20,666,497	\$ 26,733,056

December 28, 1994

4. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanisms specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates as required by Mississippi Hazardous Waste Management Regulations Part 144.62 are shown for each facility:

None

This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on October 1. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 1, 1994.

December 28, 1994

PART B. LIABILITY COVERAGE AND FINANCIAL ASSURANCE

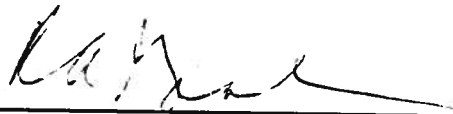
ALTERNATIVE II

1. Sum of current closure and post-closure cost estimates
(total of all cost estimates listed above.) \$ 26,733,056
2. Amount of annual aggregate liability coverage
to be demonstrated. \$ 28,000,000
3. Sum of lines 1 and 2. \$ 54,733,056
4. Current bond rating of most recent issuance and
name of rating service Standard & Poor A+
5. Date of issuance of bond December 22, 1994
6. Date of maturity of bond December 22, 2000
- *7. Tangible net worth (if any portion of the closure
and/or post-closure cost estimates is included in
"total liabilities" on your financial statements
you may add that portion to this line) \$ 510,838,000
- *8. Total assets in the U. S. (required only if less
than 90 % of assets are located in the U. S.) Not applicable

	YES	NO
9. Is line 7 at least \$10 million ?	X	
10. Is line 7 at least 6 times line 3 ?	X	
*11. Are at least 90 % of assets located in the U. S. ? If not, complete line 12.	X	
12. Is line 8 at least 6 times line 3 ?	Not Applicable	

December 28, 1994

I hereby certify that the wording of this letter is identical to the wording specified in the Mississippi Hazardous Waste Management Regulations 264.151(g) as such regulations were constituted on the date shown immediately below.



Richard A. Graham
Vice President and Chief Financial Officer

December 28, 1994

Attachment

ATTACHMENT A

Facility & Location	1994 Cost Estimates		
	Closure	Post-Closure	Total
Koppers Industries, Inc. Little Rock Plant P.O. Box 3231 N. Little Rock, AR 72117 ARD 006344824	\$ 0	\$ 2,319,244	\$ 2,319,244
Koppers Industries, Inc. Feather River Plant P.O. Box 351 Oroville, CA 95965 CAD 009112087	\$ 2,244,645	\$ 79,573	\$ 2,324,218
Koppers Industries, Inc. Denver Plant 465 West 56th Avenue Denver, CO 80216 COD 007077175	\$ 264,192	\$ 1,314,592	\$ 1,578,784
Beazer East, Inc. Maui Plant P. O. Box 1650 Maui, Hawaii 96732 HID 059475210	\$ 11,836	\$ 0	\$ 11,836
Koppers Industries, Inc.. Carbondale Plant P.O. Box 271 Carbondale, IL 62901 ILD 000819946	\$ 1,052,571	\$ 6,148,522	\$ 7,201,093
Koppers Industries, Inc. Galesburg Plant P.O. Box 1191 Galesburg, IL 61401 ILD 990817991	\$ 9,024	\$ 0	\$ 9,024
Koppers Industries, Inc. Grenada Plant P.O. Box 160 Grenada, MS 38960 MSD 007027543	\$ 160,772	\$ 1,701,876	\$ 1,862,648

ATTACHMENT A

Facility & Location	1994 Cost Estimates				Total
	Closure		Post-Closure		
Beazer East, Inc. Kansas City Plant P.O. Box 8057 Kansas City, MO 64129 MOD 007146517	\$	0	\$	337,500	\$ 337,500
Koppers Industries, Inc. Port Newark Plant Maritime & Tyler Streets Port Newark, NJ 07114 NJD 000542282	\$	4,902	\$	0	\$ 4,902
Beazer East, Inc. Orrville Product Development P.O. Box 905 Orrville, OH 44667 OHD 068911494	\$	28,076	\$	0	\$ 28,076
Beazer East, Inc. Parr - West 5151 Denison Avenue Cleveland, OH 44102 OHD 060431947	\$	7,381	\$	0	\$ 7,381
Beazer East, Inc. Youngstown Plant P.O. Box 1137 Youngstown, OH 44501 OHD 004198784	\$	281,705	\$	1,402,753	\$ 1,684,458
Koppers Industries, Inc. Florence Plant P.O. Box 1725 Florence, SC 29503 SCD 003353026	\$	172,782	\$	3,394,821	\$ 3,567,603
Koppers Industries, Inc. Houston Tar Plant P.O. Box 96150 Houston, TX 77015 TXD 008089021	\$	505,625	\$	0	\$ 505,625

ATTACHMENT A

Facility & Location	1994 Cost Estimates		
	Closure	Post-Closure	Total
Beazer East, Inc. Richmond Plant 4005 Charles City Road Richmond, VA 23231 VAD 003121977	\$ 0	\$ 1,001,265	\$ 1,001,265
Koppers Industries, Inc. Roanoke Plant 4020 Koppers Road Salem, VA 24153 VAD 003125770	\$ 826,085	\$ 590,004	\$ 1,416,089
Beazer East, Inc. Colliers Landfill P.O. Box M Follansbee, WV 26037 WVD 980707178	\$ 0	\$ 1,641,213	\$ 1,641,213
Koppers Industries, Inc. Follansbee Plant P.O. Box 98 Follansbee, WV 26037 WVD 004336749	\$ 496,963	\$ 735,134	\$ 1,232,097

SUMMARY

Total Closure Costs for 1994	\$ 6,066,559
Total Post-Closure Costs for 1994	\$ 20,666,497
Total Closure/Post-Closure Costs for 1994	\$ 26,733,056

Board of Directors
and Management
Beazer East, Inc.

REPORT OF INDEPENDENT ACCOUNTANTS

At your request, we have read your letter dated December 28, 1994 responding to the financial assurance requirements of the Mississippi Hazardous Waste Management Regulations (Subpart H, Parts 264 and 265) and compared the data which you have specified as derived from the consolidated balance sheet of Beazer East, Inc. as of October 1, 1994, or checked the computation of such specified data using the amounts included in the aforementioned financial statement. In connection with these procedures, no matters came to our attention that caused us to believe that the specified data should be adjusted.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the specified data mentioned above. We have audited Beazer East, Inc.'s consolidated balance sheet in accordance with generally accepted auditing standards and, in our report dated November 8, 1994, except for note 12 as to which the date is December 22, 1994, expressed an unqualified opinion on such balance sheet as of October 1, 1994, from which the specified data was derived.

Our procedures were performed solely to assist you in complying with the regulations of the Mississippi Hazardous Waste Management Regulations and this letter is not to be used for any other purpose.

December 28, 1994

Ernst & Young LLP



BEAZER EAST, INC., 436 SEVENTH AVENUE, PITTSBURGH, PA 15219

P 385 872 933
Certified Mail
Return Receipt Requested

DIVISION OF SOLID WASTE
RECEIVED BY DK

DATE 1-20-94

December 30, 1993

Executive Director
Mississippi Department of
Environmental Quality
Hazardous Waste Division
P. O. Box 10385
Jackson, Mississippi 39289-0385

Dear Sir or Madam:

The enclosed documentation is being submitted to fulfill the RCRA Financial Requirements for Beazer East, Inc. for its most recent fiscal year which ended October 2, 1993.

Among other documents submitted, a detailed worksheet is enclosed for each facility. The worksheets list the closure and/or post-closure cost estimates as of October 2, 1993, that are contained in pending or approved closure and/or post-closure plans. Inflation adjustment calculations have been made, where required, using the most recent inflation factor available of 1.0260.

Please feel free to contact me by calling (412) 227-2574 or by writing to the above address if you have any questions or need additional information.

Sincerely yours,

Karen M. Mance
Controller

Enclosures

CLOSURE/POST – CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
October 3, 1992

Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Rob Markwell

INFORMATION BASE

Unit / Facility	Closure Plan Submittal Date	Closure Cost Estimate	Post– Closure Cost Estimate
Surface Impoundment	06–08–88		\$ 887,250
Less three (3) years Post–Closure Care cost @ \$ 29,575 per year.			(88,725)
Adjusted Post–Closure Cost Estimate			\$ 798,525
Boiler Ash Landfarm	11–30–87		\$ 707,940
Less three (3) years Post–Closure Care cost @ \$ 23,598 per year.			(70,794)
Adjusted Post–Closure Cost Estimate			\$ 637,146
Waste Piles (1)	06–06–91	\$ 148,490	N/A

(1) Regulations covering the material in the soil pile came into effect June 6, 1991. A closure plan has been prepared based on the technical correction to the new regulations, published in July, 1991. Because the technical correction clarified that the soil in the soil pile was, in fact, covered under the new regulations effective prior to the Beazer fiscal year–end, financial assurance is being provided.

CALCULATIONS

1993 Cost Estimates

The Surface Impoundment cost reflects 1988 dollars; the adjusted cost estimate must be inflated to 1993 dollars

Post–Closure

For 1989:	798,525	X	1.0410	\$	831,265	
For 1990:	831,265	X	1.0410	\$	865,347	
For 1991:	865,347	X	1.0410	\$	900,826	
For 1992:	900,826	X	1.0360	\$	933,256	
For 1993:	933,256	X	1.0260			\$ 957,521

CLOSURE/POST – CLOSURE COST ESTIMATE WORKSHEET
For Fiscal Year Ending
October 2, 1993

STATE: Mississippi

FACILITY NAME: Koppers Industries, Inc.
 Grenada
 MSD 007027543

Program Manager: Rob Markwell

Page Two

CALCULATIONS CONTINUED

1993 Cost Estimates

The Boiler Ash Landfarm cost reflects 1987 dollars; the adjusted cost estimate must be inflated to 1993 dollars.

Post–Closure

For 1988:	637,146	X	1.0357	\$	659,892	
For 1989:	659,892	X	1.0410	\$	686,948	
For 1990:	686,948	X	1.0410	\$	715,113	
For 1991:	715,113	X	1.0410	\$	744,433	
For 1992:	744,433	X	1.0360	\$	771,233	
For 1993:	771,233	X	1.0260			\$ 791,285

The Waste Piles cost reflects 1991 dollars; this estimate must be inflated to 1993 dollars.

Closure

For 1992:	148,490	X	1.0360	\$	153,836	
For 1993:	153,836	X	1.0260			\$ 157,836

Total Cost Estimate for 1993: \$ 1,906,641

Note: The Inflation Factors used for these calculations have been provided by the Department of Commerce.



BEAZER EAST, INC., 436 SEVENTH AVENUE, PITTSBURGH, PA 15219

Letter From Chief Financial Officer

December 28, 1993

Executive Director
Mississippi Department of Natural Resources
P. O. Box 10385
Jackson, Mississippi 39289-0385

Re: Financial Assurance Documents

Dear Sir or Madam:

I am the chief financial officer of Beazer East, Inc., (formerly Koppers Company, Inc.) 436 Seventh Avenue, Pittsburgh, Pennsylvania 15219-1822. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure and/or post-closure care as specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265.

The firm identified above is the owner or operator of the following facilities for which liability coverage for both sudden and nonsudden accidental occurrences is being demonstrated through the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265:

Koppers Industries, Inc.
Grenada Plant
P.O. Box 160
Grenada, Mississippi 38960
MSD 007027543

The firm identified above guarantees, through the guarantee specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, liability coverage for both sudden and nonsudden accidental occurrences at the following:

None.

December 28, 1993

1. The firm identified above owns or operates the following facilities for which financial assurance for closure or post-closure care or liability coverage is demonstrated through the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility.

<u>Facility and ID Number</u>	<u>Current Estimates</u>		
	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
Koppers Industries, Inc. Grenada Plant P.O. Box 160 Grenada, Mississippi 38960 MSD 007027543	\$ 157,836	\$ 1,748,806	\$ 1,906,642

2. The firm identified above guarantees, through the guarantee specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, the closure and post-closure care or liability coverage of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

None

3. In states where DNR is not administering the financial requirements of Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265, this firm is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of the Mississippi Hazardous Waste Management Regulations Parts 264 and 265. The current closure or post-closure cost estimates covered by such a test are shown for each facility:

<u>Facility and ID Number</u>	<u>Current Estimates</u>		
	<u>Closure Cost</u>	<u>Post-Closure Cost</u>	<u>Total Cost</u>
See Attachment "A" (Includes Mississippi)	\$ 6,197,125	\$ 31,078,855	\$ 37,275,980

December 28, 1993

4. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanisms specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144. The current closure cost estimates as required by Mississippi Hazardous Waste Management Regulations Part 144.62 are shown for each facility:

None

This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on October 2. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended October 2, 1993.

December 28, 1993

PART B. LIABILITY COVERAGE AND FINANCIAL ASSURANCE

ALTERNATIVE II

1. Sum of current closure and post-closure cost estimates
(total of all cost estimates listed above.) \$ 37,275,980
2. Amount of annual aggregate liability coverage
to be demonstrated. \$ 28,000,000
3. Sum of lines 1 and 2. \$ 65,275,980
4. Current bond rating of most recent issuance and
name of rating service Moody's - Aaa
5. Date of issuance of bond November 18, 1977
6. Date of maturity of bond August 1, 2007
- *7. Tangible net worth (if any portion of the closure
and/or post-closure cost estimates is included in
"total liabilities" on your financial statements
you may add that portion to this line) \$ 537,381,000
- *8. Total assets in the U. S. (required only if less
than 90 % of assets are located in the U. S.) Not applicable

	YES	NO
9. Is line 7 at least \$10 million ?	X	
10. Is line 7 at least 6 times line 3 ?	X	
*11. Are at least 90 % of assets located in the U. S. ? If not, complete line 12.	X	
12. Is line 8 at least 6 times line 3 ?	Not Applicable	

December 28, 1993

I hereby certify that the wording of this letter is identical to the wording specified in the Mississippi Hazardous Waste Management Regulations 264.151(g) as such regulations were constituted on the date shown immediately below.



Richard A. Graham
Vice President and Chief Financial Officer

December 28, 1993

Attachment

ATTACHMENT A

Facility & Location	1993 Cost Estimates		
	Closure	Post-Closure	Total
Koppers Industries, Inc. Montgomery Plant P.O. Box 510 1451 Louisville Street Montgomery, AL 36101 ALD 004009403	\$ 0	\$ 1,749,584	\$ 1,749,584
Koppers Industries, Inc. Woodward Coke Plant Koppers Drive Dolomite, AL 35601 ALD 000771949	\$ 0	\$ 2,751,242	\$ 2,751,242
Koppers Industries, Inc. Woodward Tar Plant 1835 Koppers Drive Dolomite, AL 35601 ALD 085765808	\$ 114,408	\$ 566,678	\$ 681,086
Koppers Industries, Inc. Little Rock Plant P.O. Box 3231 N. Little Rock, AR 72117 ARD 006344824	\$ 0	\$ 2,368,567	\$ 2,368,567
Koppers Industries, Inc. Feather River Plant P.O. Box 351 Oroville, CA 95965 CAD 009112087	\$ 2,203,075	\$ 78,255	\$ 2,281,330
Koppers Industries, Inc. Denver Plant 465 West 56th Avenue Denver, CO 80216 COD 007077175	\$ 259,291	\$ 1,342,550	\$ 1,601,841

ATTACHMENT A

Facility & Location	1 9 9 3 Cost Estimates		
	Closure	Post-Closure	Total
Beazer East, Inc. Maui Plant P. O. Box 1650 Maui, Hawaii 96732 HID 059475210	\$ 11,640	\$ 0	\$ 11,640
Koppers Industries, Inc. Carbondale Plant P.O. Box 271 Carbondale, IL 62901 ILD 000819946	\$ 1,033,049	\$ 6,034,484	\$ 7,067,533
Koppers Industries, Inc. Galesburg Plant P.O. Box 1191 Galesburg, IL 61401 ILD 990817991	\$ 8,856	\$ 0	\$ 8,856
Koppers Industries, Inc. Guthrie Plant P.O. Box 8 Guthrie, KY 42234 KYD 006383392	\$ 2,941	\$ 2,992,163	\$ 2,995,104
Koppers Industries, Inc. Grenada Plant P.O. Box 160 Grenada, MS 38960 MSD 007027543	\$ 157,836	\$ 1,748,806	\$ 1,906,642
Beazer East, Inc. Kansas City Plant P.O. Box 8057 Kansas City, MO 64129 MOD 007146517	\$ 129,191	\$ 0	\$ 129,191
Koppers Industries, Inc. Port Newark Plant Maritime & Tyler Streets Port Newark, NJ 07114 NJD 000542282	\$ 4,822	\$ 0	\$ 4,822

ATTACHMENT A

Facility & Location	1 9 9 3 Cost Estimates			
	Closure	Post-Closure	Total	
Beazer East, Inc. Orrville Product Development P.O. Box 905 Orrville, OH 44667 OHD 068911494	\$ 27,555	\$ 0	\$ 27,555	
Beazer East, Inc. Parr – West 5151 Denison Avenue Cleveland, OH 44102 OHD 060431947	\$ 7,244	\$ 0	\$ 7,244	
Beazer East, Inc. Youngstown Plant P.O. Box 1137 Youngstown, OH 44501 OHD 004198784	\$ 277,041	\$ 1,379,528	\$ 1,656,569	
Koppers Industries, Inc. Florence Plant P.O. Box 1725 Florence, SC 29503 SCD 003353026	\$ 165,279	\$ 3,331,856	\$ 3,497,135	
Koppers Industries, Inc. Houston Tar Plant P.O. Box 96150 Houston, TX 77015 TXD 008089021	\$ 496,246	\$ 0	\$ 496,246	
Beazer East, Inc. Richmond Plant 4005 Charles City Road Richmond, VA 23231 VAD 003121977	\$ 0	\$ 1,029,446	\$ 1,029,446	
Koppers Industries, Inc. Roanoke Plant 4020 Koppers Road Salem, VA 24153 VAD 003125770	\$ 810,763	\$ 579,061	\$ 1,389,824	

ATTACHMENT A

Facility & Location

Closure	1993 Cost Estimates	
	Post-Closure	Total

Beazer East, Inc. Colliers Landfill P.O. Box M Follansbee, WV 26037 WVD 980707178	\$	0	\$	1,610,773	\$	1,610,773
---	----	---	----	-----------	----	-----------

Koppers Industries, Inc. Follansbee Plant P.O. Box 98 Follansbee, WV 26037 WVD 004336749	\$	487,888	\$	721,710	\$	1,209,598
--	----	---------	----	---------	----	-----------

Koppers Industries, Inc. Superior Plant P.O. Box 397 Superior, WI 54880 WID 006179493	\$	0	\$	2,794,152	\$	2,794,152
---	----	---	----	-----------	----	-----------

ATTACHMENT A

SUMMARY

Total Closure Costs for 1993	\$ 6,197,125
Total Post—Closure Costs for 1993	\$ 31,078,855
Total Closure/Post— Closure Costs for 1993	\$ 37,275,980

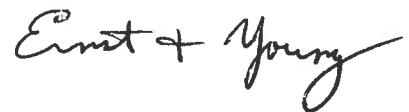
Board of Directors
and Management
Beazer East, Inc.

REPORT OF INDEPENDENT ACCOUNTANTS

At your request, we have read your letter dated December 28, 1993 responding to the financial assurance requirements of the Mississippi Hazardous Waste Management Regulations (Subpart H, Parts 264 and 265) and compared the data which you have specified as derived from the consolidated balance sheet of Beazer East, Inc. as of October 2, 1993, or checked the computation of such specified data using the amounts included in the aforementioned financial statement. In connection with these procedures, no matters came to our attention that caused us to believe that the specified data should be adjusted.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the specified data mentioned above. We have audited Beazer East, Inc.'s consolidated balance sheet in accordance with generally accepted auditing standards and, in our report dated November 9, 1993, expressed an unqualified opinion on such balance sheet as of October 2, 1993, from which the specified data was derived.

Our procedures were performed solely to assist you in complying with the regulations of the Mississippi Hazardous Waste Management Regulations and this letter is not to be used for any other purpose.



December 28, 1993

MELLON BANK, N.A.

Mellon Bank



JAN 10 1994

TRUST AND INVESTMENT DEPARTMENT

PAGE 1

STATEMENT OF ACCOUNT ENVIRONMENTAL INITIATIVE

RECIPIENT ID: T10-25-1A00-3
CLOSING DATE: 01/03/94

ACCOUNTS
FOR
RECIPIENT

ACCOUNT
SHORT
TITLE

STATEMENT
TYPE

NUMBER
OF
COPIES

102-51A

T/A KOPPERS (GRENADA MS) & MELLON

03 IP CHRONO/BOOK
08 ASSET LIST/BOOK

01
01

EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT OF
NATURAL RESOURCES
P.O. BOX 10385
JACKSON MS 39209

01/03/94

JANUARY 3, 1994

TRUST AND INVESTMENT DEPARTMENT

03 PAGE 1

STATEMENT OF INCOME AND PRINCIPAL TRANSACTIONS

FOR ACCOUNT 102-51A

TRUST AGREEMENT BETWEEN KOPPERS
INDUSTRIES INC (GRENADA, MS)
AND MELLON BANK, N.A.

STATEMENT OF INCOME AND PRINCIPAL TRANSACTIONS

POSTING DATE	FACE VALUE OR NUMBER OF SHARES	DESCRIPTION OF ENTRY	INCOME CASH		PRINCIPAL CASH		CHANGES IN INVENTORY VALUE OF INVESTMENTS
			RECEIPTS	DISBURSEMENTS	RECEIPTS	DISBURSEMENTS	
02/23/93		DEPOSIT OF FUNDS REPRESENTING ADDITIONAL EARNINGS ON INVESTMENT PRIOR TO CONVERSION TO MELLON SYSTEM VIA TRANSFER PRINCIPAL OF ACCOUNT 102-51A TO PRINCIPAL OF ACCOUNT 102-51G					30.69
		OPENING BALANCE		1-04-93			
		ENTRIES LISTED ABOVE				30.69	NONE
		CLOSING-BALANCE		1-03-94			
							30.69
							NONE

Mellon Bank

MELLON BANK, N.A.

TRUST AND INVESTMENT DEPARTMENT

JANUARY 3, 1994

CT

08 N PAGE 1

LIST OF ASSETS

FOR ACCOUNT 102-51A

TRUST AGREEMENT BETWEEN KOPPERS
INDUSTRIES INC (GRENADA, MS)
AND MELLON BANK, N.A.

Mellon Bank

MELLON BANK, N.A.

T/A KOPPERS (GRENADA MS) & MELLON

JANUARY 3, 1994 CT 102-51A

TRUST AND INVESTMENT DEPARTMENT
08 N PAGE 2

LIST OF ASSETS

FACE VALUE OR NO. OF SHARES	NAME OF SECURITY	RATE OR LOT NO.	DATE OF MATURITY OR ACQUISITION	ESTIMATED ANNUAL INCOME	INVENTORY VALUE UNIT	CUSIP NUMBER	REG NO.	MARKET
-----------------------------------	------------------	-----------------------	---------------------------------------	----------------------------	-------------------------	-----------------	------------	--------

INVESTMENTS
NO PRINCIPAL CASH
FUND TOTAL

*

.00 *

BANK ONE OHIO TRUST COMPANY, NA
CANTON TRUST OFFICE
101 CENTRAL PLAZA SOUTH, P.O. BOX 20820
CANTON, OH 44711-0820

STATEMENT OF ACCOUNT
FOR THE PERIOD 01/01/93 TO 12/31/93

CERAMICUS INC-MISSISSIPPI
DEPARTMENT OF ENVIRONMENTAL QUALITY

ACCOUNT NO. 6871070400

ACCOUNT ADMINISTRATOR
ALEXANDER HAYS, IV
216-438-8349

DEPARTMENT OF ENVIRONMENTAL QUALITY
ATTN: EXECUTIVE DIRECTOR
P. O. BOX 10385
JACKSON, MI 39289-0385

PURSUANT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, BANK ONE OHIO TRUST COMPANY, NA
HEREBY CERTIFIES THAT TO THE BEST OF ITS KNOWLEDGE, THIS ANNUAL STATEMENT FOR THE PERIOD SHOWN IS A
COMPLETE AND ACCURATE ACCOUNTING OF THE FINANCIAL CONDITION OF THE TRUST.

William A. Kennedy

BANK ONE.

ACCOUNT NO. 6871070690

CERAMICUS INC. MDEQ TRUST

STATEMENT MESSAGES

FUNDS INVESTED IN THE ONE GROUP PORTFOLIOS ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY OTHER GOVERNMENT AGENCY OR GOVERNMENT SPONSORED AGENCY OF THE FEDERAL GOVERNMENT OR ANY STATE.

EFFECTIVE NOVEMBER 1, 1993 VARIOUS CHANGES WERE MADE REGARDING 'THE ONE GROUP FAMILY OF MUTUAL FUNDS'. * ALL OF 'THE ONE GROUP MUTUAL FUNDS' CURRENTLY REFERRED TO AS A "PORTFOLIO" WERE CHANGED TO A "FUND".

SEVEN FUNDS CHANGED THEIR NAME:**

FLEXIBLE BALANCED PORTFOLIO	TO	ASSET ALLOCATION FUND
GROWTH EQUITY PORTFOLIO	TO	SMALL COMPANY GROWTH FUND
INCOME PORTFOLIO	TO	INCOME BOND FUND
MULTI-MARKET PORTFOLIO	TO	SHORT TERM GLOBAL BOND FUND
QUANTITATIVE EQUITY PORTFOLIO	TO	LARGE COMPANY VALUE FUND
TAX-FREE MONEY MARKET PORTFOLIO	TO	MUNICIPAL MONEY MARKET FUND
US TREASURY MONEY MARKET PORTFOLIO	TO	US TREASURY SECURITIES MONEY MARKET FUND

*THESE CHANGES ARE BEING INSTITUTED TO MORE CLOSELY ALIGN THE NAME OF THE FUND WITH ITS INVESTMENT OBJECTIVE. THE CHANGES ARE IN NAME ONLY. FOR MORE INFORMATION, CONTACT YOUR TRUST ADMINISTRATOR. **CUSIP NUMBERS REMAIN THE SAME.

DESCRIPTION	PAGE
ACCOUNT SUMMARY	1
INVESTMENT PORTFOLIO SUMMARY REPORT	2
INVESTMENT PORTFOLIO DETAIL REPORT	3
DISBURSEMENTS	
EXPENSES	4
INCOME EARNED	5
ASSETS ACQUIRED	7
ASSETS DISPOSED	8
REGULATORY REPORTING	
5500 SUMMARY	9
ASSETS HELD	13
ASSETS ACQUIRED AND DISPOSED OF	14
REPORTABLE TRANSACTIONS BY ISSUE	15
CURRENT PERIOD GAIN/(LOSS)	17

ACCOUNT NO. 6871070400

ACCOUNT SUMMARY 01/01/93 TO 12/31/93

CERAMICUS INC MDEG TRUST

PAGE 1

MARKET VALUE ON 01/01/93

13,146.23

DISBURSEMENTS

EXPENSES

833.33-

TOTAL DISBURSEMENTS

833.33-

INVESTMENT ACTIVITY

INCOME EARNED

343.80

REALIZED GAIN/(LOSS)

0.00

UNREALIZED GAIN/(LOSS)

0.00

TOTAL INVESTMENT ACTIVITY

343.80

MARKET VALUE ON 12/31/93

12,656.70

ACCRUED INCOME ON 12/31/93

0.00

TOTAL VALUE (WITH ACCRUED INCOME) ON 12/31/93

12,656.70

=====

ACCOUNT NO. 6871070600

INVESTMENT PORTFOLIO SUMMARY REPORT 12/31/93

CERAMICUS INC. MDEQ TRUST

PAGE 2

	ACQUISITION COST	MARKET VALUE	PERCENT OF MARKET VALUE	ESTIMATED ANNUAL INCOME	ACCRUED INCOME
CASH & EQUIVALENTS CASH EQUIVALENTS	12,656.70	12,656.70	100.0%	336.23	0.00
TOTAL ASSETS AND CASH	12,656.70	12,656.70	100.0%	336.23	0.00
ACCRUED INCOME		0.00			
TOTAL VALUE (WITH ACCRUED INCOME)		12,656.70			

ACCOUNT NO. 6871070400

INVESTMENT PORTFOLIO DETAIL REPORT 12/31/93

CERAMICUS INC MDE9 TRUST

PAGE 3

DESCRIPTION	SHARES/ FACE VALUE	ACQUISITION COST	MARKET PRICE	MARKET VALUE	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD ON MARKET
CASH EQUIVALENTS							
BANK ONE MONEY MARKET DEPOSIT ACCOUNT # 11 AKRON CUSIP: 998100093	12,656.7	12,656.70	1.000	12,656.70	334.23	0.00	2.64
CASH		0.00		0.00			
TOTAL ASSETS AND CASH		12,656.70		12,656.70	334.23	0.00	2.64
ACCRUED INCOME				0.00			
TOTAL VALUE (WITH ACCRUED INCOME)				12,656.70			

ACCOUNT NO. 6871070600

EXPENSES 01/01/93 TO 12/31/93

CERAMIGUS INC MDE9 TRUST

PAGE 4

DATE

BANK ONE FEES

DESCRIPTION

AMOUNT

01/08/93

PORTFOLIO FEE SCHEDULE #151 COLLECTED
BASED ON A MARKET VALUE OF \$13,179.15

833.33-

TOTAL BANK ONE FEES

833.33-

TOTAL EXPENSES

833.33-

=====

ACCOUNT NO. 6871070400

INCOME EARNED 01/01/93 TO 12/31/93

CERAMICUS INC. MDEQ. TRUST

PAGE 5

DATE	DESCRIPTION	AMOUNT
	INTEREST	
	BANK ONE MONEY MARKET DEPOSIT	
	ACCOUNT # 11 AKRON	
	CUSIP: 998100093	
01/04/93	INTEREST FROM 12/1/92 TO 12/31/92	32.92
02/01/93	INTEREST FROM 1/1/93 TO 1/31/93	31.16
03/01/93	INTEREST FROM 2/1/93 TO 2/28/93	26.76
04/01/93	INTEREST FROM 3/1/93 TO 3/31/93	29.65
05/03/93	INTEREST FROM 4/1/93 TO 4/30/93	28.17
06/01/93	INTEREST FROM 5/1/93 TO 5/31/93	27.88
07/01/93	INTEREST FROM 6/1/93 TO 6/30/93	26.87
08/02/93	INTEREST FROM 7/1/93 TO 7/31/93	28.33
09/01/93	INTEREST FROM 8/1/93 TO 8/31/93	28.17
10/01/93	INTEREST FROM 9/1/93 TO 9/30/93	27.29
11/01/93	INTEREST FROM 10/1/93 TO 10/31/93	28.58
12/03/93	INTEREST FROM 11/1/93 TO 11/30/93	28.02
		343.80
		343.80
	TOTAL INTEREST	343.80

ACCOUNT NO. 6871070400

INCOME EARNED 01/01/93 TO 12/31/93

CERAMICS INC MDEQ TRUST

PAGE 6

DATE

DESCRIPTION

AMOUNT

TOTAL INCOME RECEIVED

363.80
=====

ACCOUNT NO. 6871070600

ASSETS ACQUIRED 01/01/93 TO 12/31/93

CERAMIGUS INC. MDEQ. TRUST

PAGE 7

DATE

PURCHASES

DESCRIPTION

ACQUISITION VALUE

BANK ONE MONEY MARKET DEPOSIT
ACCOUNT # 11 AKRON
CUSIP: 998100093

VARIOUS

TOTAL OF 13 PURCHASES

344.76

TOTAL PURCHASES

344.76

TOTAL ASSETS ACQUIRED

344.76

=====

ACCOUNT NO. 6871070400

ASSETS DISPOSED 01/01/93 TO 12/31/93

CERAMICUS, INC. MDEQ. TRUST

PAGE 8

DATE	SOLD	DESCRIPTION	DISPOSITION VALUE	COST VALUE	TOTAL REALIZED GAIN/(LOSS)
VARIOUS		BANK ONE MONEY MARKET DEPOSIT ACCOUNT # 11 AKRON CUSIP: 998100093			
		TOTAL OF 2 SALES	834.29	834.29-	0.00
		TOTAL SOLD	834.29	834.29-	0.00
		TOTAL ASSETS DISPOSED	834.29	834.29-	0.00

3500 SUMMARY

ACCOUNT NO. 6871070400

CERANTIGUS INC MDEQ TRUST

PAGE 9

ASSETS

	(18) END OF YEAR
A TOTAL NONINTEREST-BEARING CASH	0.00
B RECEIVABLES: (1) EMPLOYER CONTRIBUTION	B(1)
(2) PARTICIPANT CONTRIBUTIONS	(2)
(3) INCOME	(3)
(4) OTHER	0.00
(5) LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(5)
(6) TOTAL (ADD(1) THROUGH (4) LESS (5))	0.00
C GENERAL INVESTMENTS: (1) INTEREST-BEARING CASH (INCLUDING MONEY MARKET FUNDS)	12,656.70
(2) CERTIFICATES OF DEPOSIT	0.00
(3) U.S. GOVERNMENT SECURITIES	0.00
(4) CORPORATE DEBT INSTRUMENTS: (A) PREFERRED	(4)(A)
(B) COMMON	(4)(B)
(5) CORPORATE STOCKS: (A) PREFERRED	0.00
(B) COMMON	0.00
(6) PARTNERSHIP/JOINT VENTURE INTERESTS	0.00
(7) REAL ESTATE: (A) INCOME-PRODUCING	0.00
(B) NONINCOME-PRODUCING	0.00
(8) LOANS (OTHER THAN TO PARTICIPANTS) SECURED BY MORTGAGES: (A) RESIDENTIAL	0.00
(B) COMMERCIAL	(8)(B)
(9) LOANS TO PARTICIPANTS: (A) MORTGAGES	(9)(A)
(B) OTHER	(9)(B)
(10) OTHER LOANS	0.00
(11) VALUE OF INTEREST IN COMMON/COLLECTIVE TRUSTS	(11)
(12) VALUE OF INTEREST IN POOLED SEPARATE ACCOUNTS	0.00
(13) VALUE OF INTEREST IN MASTER TRUSTS	(13)
(14) VALUE OF INTEREST IN 103-12 INVESTMENT ENTITIES	(14)
(15) VALUE OF INTEREST IN REGISTERED INVESTMENT COMPANIES	0.00
(16) VALUE OF FUNDS HELD IN INSURANCE COMPANY GENERAL ACCOUNT (UNALLOCATED CONTRACTS)	0.00

5500 SUMMARY

ACCOUNT NO. 6871970400

CERAMICUS INC MDEQ TRUST

PAGE 10

ASSETS (CONT.)

(B) END OF YEAR

C (17) OTHER	(17)	0.00
(18) TOTAL (ADD C(1) THROUGH C(17))	(18)	12,656.70
D EMPLOYER-RELATED INVESTMENTS: (1) EMPLOYER SECURITIES	D(1)	
(2) EMPLOYER REAL PROPERTY	(2)	
E BULDINGS AND OTHER PROPERTY USED IN PLAN OPERATION	(E)	
F TOTAL ASSETS (ADD A, B(6), C(18), D(1), D(2), AND E)	(F)	12,656.70

LIABILITIES

G BENEFIT CLAIMS PAYABLE	(G)	
H OPERATING PAYABLES	(H)	
I ACQUISITIONS INDEBTEDNESS	(I)	
J OTHER LIABILITIES	(J)	0.00
K TOTAL LIABILITIES	(K)	0.00

NET ASSETS

L LINE F MINUS LINE K	(L)	12,656.70
-----------------------------	-----	-----------

5500 SUMMARY

ACCOUNT NO. 6871070600

CERAMICUS INC. MDEQ TRUST

PAGE 11

INCOME

	(A) AMOUNT	(B) TOTAL
A CONTRIBUTIONS:		
(1) RECEIVED OR RECEIVABLE FROM:		
(A) EMPLOYERS	0.00	
(B) PARTICIPANTS	0.00	
(C) OTHERS	0.00	
(2) NONCASH CONTRIBUTIONS		
(1) INTEREST		
(A) INTEREST-BEARING CASH (INCLUDING MONEY MARKET FUNDS)	343.80	
(B) CERTIFICATES OF DEPOSIT	0.00	
(C) U.S. GOVERNMENT SECURITIES	0.00	
(D) CORPORATE DEBT INSTRUMENTS	0.00	
(E) MORTGAGE LOANS	0.00	
(F) OTHER LOANS	0.00	
(G) OTHER (ENTER TOTAL INTEREST IN COLUMN (B))	0.00	
(2) DIVIDENDS: (A) PREFERRED STOCK	0.00	
(B) COMMON STOCK	0.00	
(3) RENTS	0.00	
(4) NET GAIN (LOSS) ON SALE OF ASSETS		
(A) AGGREGATE PROCEEDS	834.29	
(B) AGGREGATE CARRYING AMOUNT (SEE INSTRUCTIONS)	834.29	
(5) UNREALIZED APPRECIATION (DEPRECIATION) OF ASSETS		
(6) NET INVESTMENT GAIN (LOSS) FROM COMMON/COLLECTIVE TRUSTS	0.00	
(7) NET INVESTMENT GAIN (LOSS) FROM POOLED SEPARATE ACCOUNTS	0.00	
(8) NET INVESTMENT GAIN (LOSS) FROM MASTER TRUSTS	0.00	
(9) NET INVESTMENT GAIN (LOSS) FROM 103-12 INVESTMENT ENTITIES	0.00	
(10) NET INVESTMENT GAIN (LOSS) FROM REGISTERED INVESTMENT COMPANIES	0.00	
C OTHER INCOME		
D TOTAL INCOME (ADD COLUMN (B) AND ENTER TOTAL)	343.80	343.80

5500 SUMMARY

ACCOUNT NO. 6871070400

CERAMICUS INC MDEQ TRUST

PAGE 12

EXPENSES

	(A) AMOUNT	(B) TOTAL
E BENEFIT PAYMENT AND PAYMENTS TO PROVIDE BENEFITS:		
(1) DIRECTLY TO PARTICIPANTS OR BENEFICIARIES	0.00	
(2) TO INSURANCE CARRIERS FOR THE PROVISION OF BENEFITS	0.00	
(3) OTHER	0.00	
F INTEREST EXPENSE	0.00	0.00
G ADMINISTRATIVE EXPENSES: (1) SALARIES AND ALLOWANCES		
(2) ACCOUNTING FEES	0.00	
(3) ACTUARIAL FEES	0.00	
(4) CONTRACT ADMINISTRATOR FEES	0.00	
(5) INVESTMENT ADVISORY AND MANAGEMENT FEES	0.00	
(6) LEGAL FEES	0.00	
(7) VALUATION/APPRaisal FEES	0.00	
(8) TRUSTEES FEES/EXPENSES (INCLUDING TRAVEL, SEMINARS, MEETINGS, ETC)	833.33-	
(9) OTHER	0.00	
H TOTAL EXPENSES (ADD (E), (F) AND (G))	833.33-	833.33-
I NET INCOME (LOSS) (D MINUS H)		833.33-
J TRANSFERS TO(FROM) THE PLAN (SEE INSTRUCTIONS)		489.53-
K NET ASSETS AT BEGINNING OF YEAR (ITEM 34, LINE 1, COLUMN (A))		0.00
L NET ASSETS AT END OF YEAR (ITEM 34, LINE 1, COLUMN (B))		

THE 5500 SUMMARY IS BEING PROVIDED FOR REFERENCE IN PREPARING REGULATORY REPORTS. THE PREPARER MUST INDEPENDENTLY REVIEW ASSET AND TRANSACTION REPORT DETAIL, PARTICULARLY WHENEVER PARTICIPANT LOANS, REAL ESTATE, EMPLOYER SECURITIES OR UNIQUE ASSETS ARE HELD WITHIN THE PORTFOLIO. BANK ONE OHIO TRUST COMPANY, N.A. WILL NOT BE RESPONSIBLE FOR THE ACCURACY OF SUCH INFORMATION.

ITEM 30A - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
ASSETS HELD AT END OF PLAN YEAR 12/31/93

ACCOUNT NO. 6871070400

CERAMICUS INC. MDEQ. TRUST

PAGE 13

DESCRIPTION OF INVESTMENT	COST BASIS	CURRENT MARKET VALUE
CASH EQUIVALENTS		
BANK ONE MONEY MARKET DEPOSIT		
ACCOUNT # 11 AKRON	12,656.70	12,656.70
SUBTOTAL	<u>12,656.70</u>	<u>12,656.70</u>
ACCRUED INCOME		<u>0.00</u>
ACCOUNT TOTAL	12,656.70	12,656.70

ITEM 30A - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 ASSETS ACQUIRED AND DISPOSED OF DURING THE PLAN YEAR 12/31/92 TO 12/31/93

ACCOUNT NO. 6871070400

CERAMICUS INC. MDEQ TRUST

PAGE 14

DESCRIPTION OF INVESTMENT	COST BASIS	CASH
BANK ONE MONEY MARKET DEPOSIT ACCOUNT # 11 AKRON		
13 MONEY MARKET FUND PURCHASES	344.76	344.76-
2 MONEY MARKET FUND SALES	834.29-	834.29
TOTAL BANK ONE MONEY MARKET DEPOSIT	489.53-	489.53
TOTAL ACCOUNT	489.53- =====	489.53 =====

ITEM 30D - SCHEDULE OF REPORTABLE TRANSACTIONS
BY ISSUE 12/31/92 TO 12/31/93

ACCOUNT NO. 6871070400

CERAMICUS INC. MDEQ TRUST

PAGE 15

TRADE DATE	SHARES/ FACE AMOUNT	DESCRIPTION	PURCHASE/ SALE UNIT PRICE	TRANSACTION EXPENSE	CASH NET GAIN/(LOSS)	COST BASIS
<u>BANK ONE AKRON MONEY MKT DEP ACCT 11</u>						
11/05/93	32.92	PURCHASED 1/ 5/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	32.92- 0.00	32.92
11/11/93	833.33	833.33 SOLD 1/11/93	1.00	0.00	833.33 0.00	833.33
12/02/93	31.16	PURCHASED 2/ 2/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	31.16- 0.00	31.16
13/02/93	26.76	PURCHASED 3/ 2/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	26.76- 0.00	26.76
14/02/93	29.65	PURCHASED 4/ 2/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	29.65- 0.00	29.65
15/04/93	28.17	PURCHASED 5/ 4/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	28.17- 0.00	28.17
16/02/93	27.88	PURCHASED 6/ 2/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	27.88- 0.00	27.88
17/02/93	26.87	PURCHASED 7/ 2/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	26.87- 0.00	26.87
18/02/93	28.33	PURCHASED 8/ 3/93 AT \$1.00/SH CDM \$0.00	1.00	0.00	28.33- 0.00	28.33

ACCOUNT NO. 6871070400

CERAMICUS INC. MDEQ TRUST

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ITEM 30D - SCHEDULE OF REPORTABLE TRANSACTIONS
BY ISSUE 12/31/92 TO 12/31/93

TRADE DATE	SHARES/ FACE AMOUNT	DESCRIPTION	PURCHASE/ SALE UNIT PRICE	TRANSACTION EXPENSE	CASH NET GAIN/(LOSS)	COST BASIS
19/02/93	28.17	PURCHASED 9/ 2/93 AT \$1.00/SH CDMH \$0.00	1.00	0.00	28.17- 0.00	28.17
0/04/93	27.29	PURCHASED 10/ 4/93 AT \$1.00/SH CDMH \$0.00	1.00	0.00	27.29- 0.00	27.29
1/02/93	28.58	PURCHASED 11/ 2/93 AT \$1.00/SH CDMH \$0.00	1.00	0.00	28.58- 0.00	28.58
2/02/93	0.96	PURCHASED 12/ 2/93 AT \$1.00/SH CDMH \$0.00	1.00	0.00	0.96- 0.00	0.96
2/03/93	0.96	0.96 SOLD 12/ 3/93	1.00	0.00	0.96 0.00	0.96
2/06/93	28.02	PURCHASED 12/ 6/93 AT \$1.00/SH CDMH \$0.00	1.00	0.00	28.02- 0.00	28.02
		TOTAL ISSUE		0.00	489.53 0.00	
		TOTAL ACCOUNT		0.00	489.53 0.00	

CURRENT PERIOD GAIN/(LOSS) 12/31/92 TO 12/31/93

CERAMICUS INC MDEQ TRUST

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ASSETS HELD AT END OF PERIOD - UNREALIZED GAIN/(LOSS)

<----- ASSETS HELD AT START ----->				<----- ASSETS OBTAINED IN PERIOD ---->				<----- TOTAL HELD + OBTAINED ----->			
BEGINNING MARKET	ENDING MARKET	UNREAL GAIN/LOSS	PURCHASE COST	ENDING MARKET	UNREAL GAIN/LOSS	TOTAL VALUE	AGGREGATE MARKET	TOTAL UNREAL			
12312	12312	0	345	345	0	12657	12657	0			
12312	12312	0	345	345	0	12657	12657	0			
TOTAL											

BANK ONE AKRON MONEY MKT DEP ACCT 11
TOTAL

ASSETS SOLD/MATURED DURING PERIOD - REALIZED GAIN/(LOSS)

HELD AT START	OBTAINED IN PERIOD	<----- COMBINED ----->	<----- TOTAL HELD + OBTAINED ----->		
BEGINNING MARKET	PURCHASE COST	SALE PROCEEDS	AGGREGATE COSTS	AGGREGATE PROCEEDS	REALIZED GAIN/LOSS
=====	=====	=====	=====	=====	=====
834	0	834	0	834	0
834	0	834	0	834	0
=====					

BANK ONE AKRON MONEY MKT DEP ACCT 11
TOTAL

Beazer East, Inc.

Audited Consolidated Financial Statements

October 2, 1993

BEAZER EAST, INC.

CONSOLIDATED FINANCIAL STATEMENTS

October 2, 1993

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
and Stockholders of
Beazer East, Inc.

We have audited the accompanying consolidated balance sheets of Beazer East, Inc. (the "Company") as of October 2, 1993 and October 3, 1992 and the related consolidated statements of income and retained earnings, and cash flows for the fiscal year ended October 2, 1993 and the ten month period ended October 3, 1992. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Beazer East, Inc. at October 2, 1993 and October 3, 1992 and the consolidated results of its operations and its cash flows for the fiscal year ended October 2, 1993 and the ten months ended October 3, 1993 in conformity with generally accepted accounting principles.

November 9, 1993

Ernst & Young

BEAZER EAST, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

	October 2, 1993	October 3, 1992
Cash and cash equivalents	\$ 8,037	\$ 10,747
Accounts receivable (less allowance for doubtful accounts of \$2,517 in 1993 and \$3,509 in 1992)	100,633	99,970
Costs and estimated earnings in excess of billings on long-term contracts	22,027	19,709
Inventories	79,956	79,167
Other current assets	<u>7,667</u>	<u>4,877</u>
TOTAL CURRENT ASSETS	<u>218,320</u>	<u>214,470</u>
Property, plant and equipment, net	3,819,444	3,832,775
Prepaid pension cost	128,038	118,993
Amount receivable from parent and affiliates	91,548	30,590
Other assets	<u>6,754</u>	<u>7,349</u>
TOTAL ASSETS	<u>\$4,264,104</u>	<u>\$4,204,177</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	\$ 46,524	\$ 45,762
Other payables and accrued liabilities	<u>123,790</u>	<u>170,101</u>
TOTAL CURRENT LIABILITIES	<u>170,314</u>	<u>215,863</u>
Amount payable to parent and affiliates	1,310,095	1,217,244
Other long-term liabilities	<u>2,246,314</u>	<u>2,283,899</u>
TOTAL LIABILITIES	<u>3,726,723</u>	<u>3,717,006</u>
STOCKHOLDERS' EQUITY		
Cumulative preferred stock, Series A, no par value; liquidation value of \$100,000 per share; 5,000 shares authorized, 2,730 shares issued and outstanding	273,000	273,000
Common stock, \$1 par value; 5,000 shares authorized, 1,000 shares issued and outstanding	1	1
Capital in excess of par value	201,690	201,690
Retained earnings	<u>62,690</u>	<u>12,480</u>
TOTAL STOCKHOLDERS' EQUITY	<u>537,381</u>	<u>487,171</u>
Commitments and Contingencies		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$4,264,104</u>	<u>\$4,204,177</u>

The accompanying notes are an integral part of these financial statements.

BEAZER EAST, INC.
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

(In thousands)

	Fiscal Year Ended October 2, 1993	Ten Months Ended October 3, 1992
Revenue:		
Construction revenue	\$ 301,298	\$229,182
Aggregates and related products	<u>273,237</u>	<u>196,608</u>
	<u>574,535</u>	<u>425,790</u>
Costs and expenses:		
Construction costs	299,056	212,915
Aggregates and related products	214,077	163,305
Selling and administrative expenses	<u>30,539</u>	<u>16,534</u>
	<u>543,672</u>	<u>392,754</u>
Income from operations	30,863	33,036
Other income and (expenses):		
Interest income (expense), net	243	(10,249)
(Loss) Gain on sale of fixed assets	(240)	1,208
Other (expense) income, net	<u>(192)</u>	<u>195</u>
Income before income taxes	30,674	24,190
Provision (Benefit) for income taxes	<u>(19,536)</u>	<u>11,710</u>
Net income	50,210	12,480
Retained earnings, beginning of period	<u>12,480</u>	<u> </u>
Retained earnings, end of period	<u>\$ 62,690</u>	<u>\$ 12,480</u>

The accompanying notes are an integral part of these financial statements.

BEAZER EAST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Fiscal Year Ended October 2, 1993	Ten Months Ended October 3, 1992
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 50,210	\$ 12,480
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation, depletion and amortization	50,627	37,240
Loss (Gain) on sale of fixed assets	240	(1,208)
Provision for deferred income taxes		18,540
Provision for losses on accounts receivable	63	987
Changes in operating assets and liabilities:		
Increase in accounts receivable	(726)	(24,654)
Increase in costs and estimated earnings in excess of billings on long-term contracts	(2,318)	(9,604)
Increase in inventories	(789)	(8,976)
Increase in other current assets	(2,790)	(2,751)
Increase in prepaid pension cost	(9,045)	(6,185)
Decrease in other assets	595	20,055
Increase in trade accounts payable	915	3,775
Decrease in other payables and accrued liabilities	(46,323)	(82,641)
Decrease in other long-term liabilities	(53,075)	(189,502)
(Increase) Decrease in amount receivable from parent and affiliates	(60,958)	9,011
	<u>(73,374)</u>	<u>(223,433)</u>
NET CASH USED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(24,750)	(27,956)
Proceeds from sales of property, plant and equipment	3,251	8,271
	<u>(21,499)</u>	<u>(19,685)</u>
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(688)	(549,105)
Repayment of loans to parent and affiliates		800,680
Increase in amount payable to parent and affiliates	92,851	
	<u>92,163</u>	<u>251,575</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		
(Decrease) Increase in cash and cash equivalents	(2,710)	8,457
Cash and cash equivalents, beginning of period	10,747	2,290
Cash and cash equivalents, end of period	<u>\$ 8,037</u>	<u>\$ 10,747</u>

The accompanying notes are an integral part of these financial statements.

BEAZER EAST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND DESCRIPTION OF COMPANY

In December 1991, Beazer PLC was acquired by an indirect wholly-owned subsidiary of Hanson PLC ("Hanson"), a company registered in the United Kingdom. In connection with the acquisition, Beazer PLC was restructured and its U.S. operations (Beazer, Inc.) were sold for approximately \$900 million to a U.S. holding company of Hanson. Beazer East, Inc. (the "Company") is an indirect, wholly-owned subsidiary of Beazer, Inc.

The acquisition has been accounted for as a purchase and is reflected in the financial statements in accordance with the requirements of Accounting Principles Board Opinion ("APB") No. 16, Business Combinations. In accordance with APB No. 16, the purchase price was allocated to assets and liabilities of the Company based on estimated fair values at the date of acquisition. Approximately \$475 million of the purchase price was allocated to the Company based on the final analysis of net assets acquired.

The Company is involved principally in the production and sale of mineral aggregates and hot-mix asphalt as well as providing related engineering and construction services to regional markets located primarily in the eastern half of the United States.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all its wholly owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Revenue Recognition

Revenue on long-term construction contracts is recognized under the percentage-of-completion method. If estimated total costs on a contract indicate a loss, the entire loss is accrued for in the financial statements immediately.

Cash Equivalents

Cash equivalents represent highly liquid debt instruments purchased by the Company with maturities of three months or less. The carrying amount approximates fair value due to the short maturity of these instruments.

Inventories

Inventories are stated at the lower of cost or market value. Cost for aggregate inventory is determined using a weighted average method which approximates the first-in, first-out (FIFO) method. Cost for raw materials and supplies is determined using the FIFO method.

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES—(Continued)

Property, Plant and Equipment

Property, plant and equipment were recorded at estimated fair value at the date of acquisition in accordance with APB No. 16. Additions to property, plant and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives which are as follows:

Buildings and improvements	40 years
Machinery and equipment	3-12 years

Aggregate properties are depleted on the basis of units produced. Generally costs incurred to develop aggregate properties are charged to income as incurred.

Pension Plans

The Company has several noncontributory defined benefit pension plans covering substantially all its employees. The Company's funding policy is to contribute amounts to the plans sufficient to meet the funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the Company may determine to be appropriate from time to time.

Income Taxes

The Company is included in a consolidated federal income tax return filed by its ultimate parent company in the United States, HM Anglo-American, Ltd. Pursuant to an informal tax allocation agreement, the Company provides for federal income taxes on a stand-alone separate company basis but recognizes the benefit of any losses so long as they are currently utilized within the group. Federal income taxes currently payable or receivable are considered due to or from the parent company and are included in Amounts Receivable from or Payable to Parent and Affiliates.

For financial reporting purposes the Company has adopted APB No. 11, Accounting for Income Taxes. Under APB No. 11 a deferred income tax liability is recorded for the tax effect of timing differences arising from income and expense items being reported in different periods for financial reporting and income tax purposes.

In February 1992, the Financial Accounting Standards Board issued SFAS No. 109, "Accounting for Income Taxes". SFAS No. 109 must be adopted for years beginning after December 15, 1992 and will change the Company's method of accounting for income taxes from the deferred method to an asset and liability approach. The asset and liability approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences. The Company intends to adopt the new standard retroactively and does not believe the impact will have a material effect on stockholders' equity.

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. RELATED PARTY TRANSACTIONS

Cash accounts for the Company have been controlled on a centralized basis by a Hanson subsidiary and, accordingly, cash receipts and disbursements have been received or made through a Hanson subsidiary. Cash transactions between or on behalf of the Company and other Hanson subsidiaries are recorded in the balance sheet as Amounts Receivable from or Payable to Parent and Affiliates. The advances are non-interest bearing with no formal repayment terms.

During the ten months ended October 3, 1992, the Company incurred intercompany interest costs of approximately \$10 million on amounts advanced from affiliates. As of October 2, 1993 and October 3, 1992, there were no outstanding interest bearing advances payable to affiliates.

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following (in thousands):

	October 2, 1993	October 3, 1992
Contract receivables:		
- Completed contracts	\$ 14,079	\$ 17,674
- Uncompleted contracts	15,975	21,369
- Retentions	<u>9,260</u>	<u>8,804</u>
Total contract receivables	39,314	47,847
Aggregate related receivables	62,666	52,965
Miscellaneous receivables	<u>1,170</u>	<u>2,667</u>
	103,150	103,479
Less: Allowance for doubtful accounts	<u>2,517</u>	<u>3,509</u>
	<u>\$ 100,633</u>	<u>\$ 99,970</u>

5. COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Costs and estimated earnings on uncompleted contracts consists of the following (in thousands):

	October 2, 1993	October 3, 1992
Costs and estimated earnings on uncompleted contracts	\$ 368,954	\$ 426,091
	<u>351,480</u>	<u>410,452</u>
Less: Billings to date	<u>\$ 17,474</u>	<u>\$ 15,639</u>

BEAZER EAST, INC.

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

5. COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS--(Continued)

	October 2, 1993	October 3, 1992
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 22,027	\$ 19,709
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(4,553)</u>	<u>(4,070)</u>
	<u>\$ 17,474</u>	<u>\$ 15,639</u>

Billings in excess of costs and estimated earnings on uncompleted contracts are classified with Other Payables and Accrued Liabilities in the consolidated balance sheets.

6. INVENTORIES

Inventories consist of the following (in thousands):

	October 2, 1993	October 3, 1992
Raw materials and supplies	\$ 15,712	\$ 16,091
Aggregate inventory	<u>64,244</u>	<u>63,076</u>
	<u>\$ 79,956</u>	<u>\$ 79,167</u>

BEAZER EAST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following (in thousands):

	October 2, <u>1993</u>	October 3, <u>1992</u>
Depletable aggregate properties	\$ 2,755,609	\$2,755,504
Leased aggregate properties	<u>721,331</u>	<u>721,323</u>
	<u>3,476,940</u>	<u>3,476,827</u>
Land and buildings	162,831	160,900
Machinery and equipment	<u>267,346</u>	<u>232,288</u>
	<u>430,177</u>	<u>393,188</u>
	3,907,117	3,870,015
Less: Accumulated depreciation and depletion	<u>87,673</u>	<u>37,240</u>
	<u>\$ 3,819,444</u>	<u>\$ 3,832,775</u>

Certain aggregate properties are leased under cancellable long-term agreements which generally include renewal options and minimum royalty provisions.

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT PLANS

Pension Plans

The Company has several noncontributory defined benefit pension plans covering substantially all employees. Benefits for the hourly plans are generally based on the participant's career earnings and service with the Company while benefits for the salary plan are based on final average salary and credited service.

Net periodic pension credit consists of the following components (in thousands):

	Fiscal Year Ended October 2, 1993	Ten Months Ended October 3, 1992
Service costs - benefits earned during the period	\$ 2,769	\$ 2,503
Interest cost on projected benefit obligation	34,823	28,994
Actual return on plan assets	(48,149)	(53,439)
Net amortization and deferral	<u>2,554</u>	<u>15,951</u>
NET PERIODIC PENSION CREDIT FOR DEFINED BENEFIT PLANS	(8,003)	(5,991)
Defined contribution plans	2,879	2,200
Multiemployer plans	<u>1,143</u>	<u>1,000</u>
TOTAL PENSION CREDIT	\$ <u>(3,981)</u>	\$ <u>(2,791)</u>

Assumptions used in the accounting for the defined benefit plans were as follows:

	1993	1992
Weighted average discount rate	7.5%	9.0%
Rates of increase in compensation levels	5.5%	5.5%
Expected long term rate of return on assets	9.0%	9.0%

The change in weighted average discount rate from 9.0% for fiscal 1992 to 7.5% for fiscal 1993 caused the projected benefit obligation to increase approximately \$64 million.

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT PLANS--(Continued)

The funded status of the Company's plans and amounts recognized in the consolidated balance sheet at October 2, 1993 and October 3, 1992 are as follows (in thousands):

	1993		1992	
	Plans Whose Assets Exceed Accumulated Benefits	Plans Whose Accumulated Benefits Exceed Assets	Plan Whose Assets Exceed Accumulated Benefits	Plan Whose Accumulated Benefits Exceed Assets
Actuarial present value of benefit obligation:				
Vested benefit obligation	\$ (466,376)	\$ (17,760)	\$ (376,991)	\$ (7,297)
Nonvested benefit obligation	<u>(2,917)</u>	<u>(1,487)</u>	<u>(13,074)</u>	<u>(333)</u>
Accumulated benefit obligation	<u>\$ (469,293)</u>	<u>\$ (19,247)</u>	<u>\$ (390,065)</u>	<u>\$ (7,630)</u>
Projected benefit obligation	\$ (478,730)	\$ (20,475)	\$ (397,397)	\$ (7,642)
Plan assets at fair value	<u>530,729</u>	<u>14,316</u>	<u>533,133</u>	<u>6,859</u>
Projected benefit obligation (in excess of) or less than plan assets	51,999	(6,159)	135,736	(783)
Add (Deduct):		86		
Unrecognized prior service costs		5,323	(15,943)	(17)
Unrecognized net (gain) loss	<u>76,789</u>			
Prepaid (Accrued) pension cost	<u>\$ 128,788</u>	<u>\$ (750)</u>	<u>\$ 119,793</u>	<u>\$ (800)</u>

The plans' assets are included in the HM Holdings Master Trust (the "Trust"). The Trust invests principally in listed stocks and bonds, including common stock of Hanson which, at market value, comprises 3.5% and 3.8% of the Trust's assets at October 2, 1993 and October 3, 1992, respectively.

Multiemployer Pension Plans

In addition to Company sponsored plans, the Company contributes to several union sponsored multiemployer pension plans. The plans are not administered by the Company and contributions are determined in accordance with the provision of negotiated labor contracts. In the event of a plan termination or the Company's withdrawal from a plan, the Company may be liable for a portion of the plan's unfunded vested benefit obligation, if any.

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. EMPLOYEE BENEFIT PLANS—Continued

Defined Contribution Plan

The Company sponsors several defined contribution pension plans covering substantially all its employees. Eligible employees may contribute a portion of their base compensation to the plan and their contributions are matched by the Company at rates specified in the plan.

Health Care and Life Insurance Benefits

The Company also provides postretirement health care and life insurance benefits to certain employees generally through insurance companies whose premiums are primarily based upon benefits actually paid. Substantially all of the Company's eligible employees may qualify for these benefits if they reach normal retirement age while working for the Company. These benefits are subject to deductibles, copayment provisions and other limitations. At October 2, 1993 and October 3, 1992, the Company has provided approximately \$293 million and \$296 million for such postretirement benefits, respectively, of which \$287 million and \$290 million, respectively, are considered noncurrent and are classified with Other Long-term Liabilities in the consolidated balance sheets. During the fiscal year ended October 2, 1993 and the ten month period ended October 3, 1992, the costs in the consolidated statements of income relating to these plans were not significant.

In December 1990, the Financial Accounting Standards Board issued SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions". This new standard requires that the expected cost of these benefits must be charged to expense during the years that the employees render service. The Company is required to adopt the new accounting standard no later than fiscal year 1994, although earlier implementation is permitted. The Company may adopt the new standard prospectively or retroactively but in either case it is not expected to have a material effect on the Company's reported financial position.

9. INCOME TAXES

The provision (benefit) for income taxes consists of the following (in thousands):

	October 2, 1993	October 3, 1992
Federal:		
Current	\$ (21,111)	\$ (7,580)
Deferred	<u>(21,111)</u>	<u>18,540</u>
	1,575	10,960
State	<u>\$ (19,536)</u>	<u>750</u>
	\$ 11,710	

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. INCOME TAXES—(Continued)

The Company's effective income tax rate differs from the statutory federal income tax rate as follows:

	October 2, 1993	October 3, 1992
Statutory federal income tax rate	34%	34%
State income taxes, net of federal benefit	2%	2%
Non-deductible depletion	17%	12%
Reduction in purchase accounting liabilities	(117%)	—
Effective income tax rate	<u>(64%)</u>	<u>48%</u>

Prior to the acquisition of the Company by Hanson, the Company had generated significant operating loss carryforwards. Since the realization of these operating loss carryforwards was not reasonably assured when the Company was acquired by Hanson, they were not assigned a value in the allocation of purchase price at the date of acquisition. During the ten month period ended October 3, 1992 a portion of these preacquisition net operating loss carryforwards were recognized for financial reporting purposes by reducing non-current assets by \$18,540. As of October 2, 1993, the Company has available net operating loss carryforwards of \$133 million and \$173 million for financial reporting and income tax return purposes, respectively, expiring in years 1996 through 2008.

Income taxes paid during the fiscal year ended October 2, 1993 and the ten months ended October 3, 1992 was approximately \$2.5 million in each period.

10. STOCKHOLDERS' EQUITY

Beginning in April 1989, the holders of Series A Cumulative Preferred Stock (preferred stock) are entitled to receive when, as and if declared by the Company, dividends in the mandatory amount of \$20,000 per share per annum. The dividends, if declared, are payable quarterly on the first day of January, April, July and October provided that such payment is not prohibited by a loan or other agreement. Dividends on preferred stock begin to accrue and are cumulative as of the issuance date. Dividends paid on preferred stock in an amount less than the total amount of dividends accrued and payable shall be allocated pro-rata on a share-by-share basis among all outstanding shares. Unpaid dividends do not bear interest and the holders of preferred stock do not have any voting rights except as required by law. The preferred shares have preference in liquidation of \$100,000 per share plus an amount equal to dividends accrued and unpaid, whether or not declared. The Company also may redeem, at its option and at any time, all or a portion of the outstanding preferred shares at a redemption price of \$100,000 per share plus an amount equal to dividends accrued and unpaid, whether or not declared, except as prohibited by a loan or other agreement.

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. STOCKHOLDERS' EQUITY--(Continued)

All shares of preferred and common stock are owned indirectly by Hanson. Dividends may not be paid on common stock while there are dividends in arrears on preferred stock.

11. COMMITMENTS AND CONTINGENCIES

Commitments

The Company leases certain property, plant and equipment for various periods under noncancelable operating leases. The Company's future minimum lease payments under noncancelable operating lease agreements at October 2, 1993 are as follows (in thousands):

<u>Fiscal Year</u>	
1994	\$ 17,200
1995	9,284
1996	8,578
1997	7,350
1998	6,988
Thereafter	<u>50,941</u>
	<u>\$ 100,341</u>

Rent expense for the fiscal year ended October 2, 1993 and ten month period ended October 3, 1992 amounted to approximately \$15 million and \$13 million, respectively.

Contingencies

The Company's stock was pledged as collateral in connection with a credit agreement between its U.S. parent company and a syndicate of banks. The Company and other subsidiaries of the parent company jointly and severally guaranteed repayment of the parent company's borrowings under the credit agreement, and have agreed that each subsidiary would be responsible only for its proportionate share, as defined, of the parent company's borrowings if an event of default occurs. The parent company's borrowings are repayable in semi-annual installments through October 1998. At October 2, 1993, the Company's proportionate share of the parent company's borrowings under the credit agreement amounted to approximately 20% or \$650 million. The parent company is in compliance with all terms of the credit agreement.

BEAZER EAST, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. COMMITMENTS AND CONTINGENCIES--(Continued)

Prior to the Hanson acquisition, the Company sold various businesses and entered into agreements whereby the Company remains responsible for certain costs associated with these divested businesses. These costs relate primarily to product liability claims, toxic tort claims, and claims involving alleged breach of contract. In connection with these sold businesses, the Company also has environmental liabilities resulting from soil and groundwater contamination primarily at previously owned or operated facilities and off-site waste disposal facilities. Certain of these facilities are the subject of environmental administrative or court proceedings by governmental agencies or claims by third parties. Costs associated with these environmental liabilities usually include investigatory and feasibility studies, surface remediation, pumping and treatment of ground water, and monitoring of the affected facility.

As of October 2, 1993 and October 3, 1992, the Company has provided approximately \$1,900 million for all of these matters of which approximately \$1,800 million is considered noncurrent and is classified with Other Long-term Liabilities in the consolidated balance sheets. The amounts accrued represent management's best estimate at this time of costs currently expected to be incurred in future years.

In addition, the Company is a defendant or plaintiff in various legal actions which have arisen in the normal course of the Company's ongoing business. It is the opinion of management, based on the advice of legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition.

As of October 2, 1993, the Company also has outstanding surety bonds and standby letters of credit in the amount of \$235 million and \$56 million, respectively, to secure performance commitments.



Beazer East, Inc.

Audited Consolidated Financial Statements

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BEAZER EAST, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued****10. LONG-TERM DEBT**

In December 1994, the Company entered into a bond purchase agreement and thereunder issued \$25 million of bonds. The bonds are senior unsecured obligations which bear interest at 8.64%, payable semi-annually and mature on December 22, 2000. The Company incurred \$1.7 million of interest expense in fiscal 1995 of which \$1.1 million was paid during the year.

11. STOCKHOLDERS' EQUITY

Beginning in April 1989, the holders of Series A Cumulative Preferred Stock ("preferred stock") are entitled to receive when, as and if declared by the Company, dividends in the mandatory amount of \$20,000 per share per annum. The dividends, if declared, are payable quarterly on the first day of January, April, July and October provided that such payment is not prohibited by a loan or other agreement. Dividends on preferred stock begin to accrue and are cumulative as of the issuance date. Dividends paid on preferred stock in an amount less than the total amount of dividends accrued and payable shall be allocated pro-rata on a share-by-share basis among all outstanding shares. Unpaid dividends do not bear interest and the holders of preferred stock do not have any voting rights except as required by law. The preferred shares have preference in liquidation of \$100,000 per share plus an amount equal to dividends accrued and unpaid, whether or not declared. The Company also may redeem, at its option and at any time, all or a portion of the outstanding preferred shares at a redemption price of \$100,000 per share plus an amount equal to dividends accrued and unpaid, whether or not declared, except as prohibited by a loan or other agreement.

All shares of preferred and common stock are owned indirectly by Beazer, Inc. Dividends may not be paid on common stock while there are dividends in arrears on preferred stock.

12. COMMITMENTS AND CONTINGENCIES**Commitments**

The Company leases certain property, plant and equipment for various periods under noncancelable operating leases. The Company's future minimum lease payments under noncancelable operating lease agreements at September 30, 1995 are as follows (in thousands):

1996	\$ 10,523
1997	8,495
1998	7,898
1999	7,810
2000	7,516
Thereafter	<u>33,083</u>
	\$ 75,325
	=====

Rent expense for the fiscal years ended September 30, 1995 and October 1, 1994 amounted to approximately \$13 million and \$11 million, respectively.

BEAZER EAST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

12.COMMITMENTS AND CONTINGENCIES--Continued

Contingencies

Prior to the Hanson acquisition, the Company sold various businesses and entered into agreements whereby the Company remains responsible for certain costs associated with these divested businesses. These costs relate primarily to product liability claims, toxic tort claims, and claims involving alleged breach of contract. In connection with these sold businesses, the Company also has environmental liabilities resulting from soil and groundwater contamination primarily at previously owned or operated facilities and off-site waste disposal facilities. Certain of these facilities are the subject of environmental, administrative or court proceedings by governmental agencies or claims by third parties. Costs associated with these environmental liabilities usually include investigatory and feasibility studies, surface remediation, pumping and treatment of ground water, and monitoring of the affected facility.

As of September 30, 1995 and October 1, 1994, the Company has provided approximately \$1,600 million and \$1,700 million, respectively, for all of these matters of which approximately \$1,500 million and \$1,600 million, respectively, is considered noncurrent and is classified with "Other long-term liabilities" in the consolidated balance sheets. The amounts accrued represent management's best estimate at this time of costs currently expected to be incurred in future years.

In addition, the Company is a defendant or plaintiff in various legal actions which have arisen in the normal course of the Company's ongoing business. It is the opinion of management, based on the advice of legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition.

As of September 30, 1995, the Company also has outstanding surety bonds and standby letters of credit in the amount of \$215 million and \$70 million, respectively, to secure performance commitments.

