

# EXHIBIT 16

**Roemer Wallens  
& Mineaux LLP**  
Counsellors at Law

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**FACSIMILE TRANSMISSION SHEET**

**CONFIDENTIAL**

**DATE:** April 24, 1997

**File No.:**  
**TACONI**  
**970117**

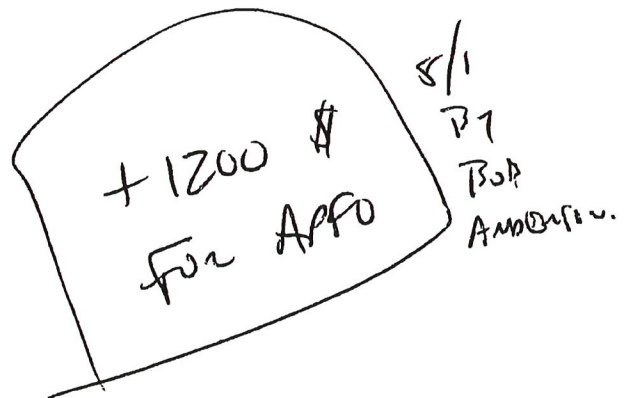
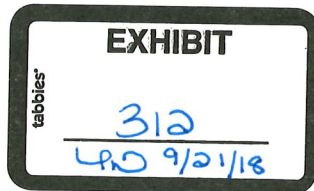
**TO:** Malcolm Green  
658-3204

**FROM:** Michael A. Greco

**RE:** Adirondack

**PAGES TO FOLLOW:** (7)

**COMMENTS:**



**Please call Kristi at (518) 464-1300 (x407) is material is not legible.**



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RECEIVED  
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April 23, 1997

Mr. Michael A. Greco  
Roemer Wallens & Mineaux  
13 Columbia Circle  
Albany, New York 12203

**RE: Testing of the Process Scrubber Exhaust - Taconic  
Quotation No: 970404A2180 - Revision # 1**

Dear Mr. Greco:

Adirondack Environmental Services, Inc. is pleased to submit this revised proposal for source testing at the Taconic facility located in Petersburg, New York. Roemer Wallens & Mineaux are retaining us to provide information to be used in providing legal counsel and advice with regard to facility operations and regulatory compliance and in preparation and anticipation of litigation. We will report directly to Roemer Wallens & Mineaux in regard to all findings and results of our work. Our findings and results will not be forwarded or released to others, including governmental agencies, unless specifically authorized by Roemer Wallens & Mineaux.

### Scope of Services

The Source Test parameters are:

- ◆ Total Surfactants
- ◆ Hydrogen Fluoride
- ◆ Ammonia
- ◆ Total Hydrocarbons (Method 25A)
- ◆ Perfluoro-isobutylene.

To confirm our conversation with Malcolm Green of Taconic, there is no acceptable stack test method for the parameter ammonium perfluorooctanoate. Therefore, this analysis will not be performed.

Three (3) successive two (2) hour sampling runs shall be conducted. Each sampling run will simultaneously measure the above parameters. Two (2) days will be required for mobilization, testing and demobilization.



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Mr. Michael A. Greco  
Roemer Wallens & Mineaux  
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Testing of hydrogen fluoride, ammonia, perfluoro-isobutylene and total surfactants will be performed isokinetically in order to obtain an accurate lb./hr emission rate as required by NYSDEC for demonstration of compliance of permit levels. In addition to reporting in lb./hr., Adirondack Environmental Services will also report data in weight/volume (ug/m<sup>3</sup>).

### Price

Total preparation cost each site  
Material, labor, analyses and reports

**Lump Sum Cost: \$ 5,750.00**

### Qualifications and Staffing

With individuals having over 20 years of source testing experience, a full-service accredited laboratory, a multi-disciplinary professional staff and a commitment to client service, Adirondack Environmental Services, Inc. is well qualified to provide services for this project. Our emission testing staff has conducted hundreds of source tests on a variety of facilities including incinerators, industrial boilers, utility steam stations, stationary gas turbines and industrial processes of many types.

We routinely test effluents for particulate, metals, toxic organics, combustion gases, solvents, visible emissions and others. Our many years of experience in source emission testing also enable us to successfully implement complex testing and analytical procedures and address many unusual or complex testing requirements such as exceptionally high stack gas temperatures, high and low stack gas velocities, cyclonic flow, liquid-entrained effluents, small diameter stacks and non-routine testing methods.

The work of our field staff is supported by our in-house analytical laboratory. The laboratory is accredited by the American Industrial Hygiene Association and is certified by the New York State Department of Health for analyses of air and emissions samples. This in-house service enables us to provide responsive and cost-effective source testing services.



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**Express Terms and Conditions**

**Facility Supplied requirements:** Sampling ports, power sources, scaffolding (if needed), or support for sampling trains shall be provided by Taconic. However, if necessary, sampling ports, power sources, scaffolding or support for sampling trains can be provided by Adirondack Environmental Services for an additional fee.

Generally, two 115 volt 20 amp, single phase, 60 hertz AC circuits with a grounded two receptacle weather proof outlet will be required on the stack platform and at the sampling location. Receptacles should accept standard three prong grounded household-type plugs or suitable adapters shall be provided. Three -115 volt 20 amp single phase, 60 hertz AC circuits with grounded weather proof circuits and one 115 volt 30 amp single phase 60 hertz AC circuit and one 220 volt, 30 amp single phase AC circuit will be required for Adirondack Environmental Services' Mobile CEM trailer. All outlets must be within 50 feet of the required sampling locations and position of the Mobile CEM trailer.

Every effort will be made to perform this work in accordance with your schedule. However, in case of lost/standby time due to unavoidable causes (i.e. process interruption), or as requested by Taconic, Adirondack Environmental Services, Inc. reserves the right to adjust the price quoted on the basis of \$70.00/man/hour, plus any additional travel and living expenses.

Progress billing will be issued in the name of Taconic, according to the following schedule:

- 60% after completion of field testing
- 40% after submittal of the final reports.

Payment for services must be made to Adirondack Environmental Services, Inc. from Taconic.

Additional Terms and Conditions pertaining to this proposal are included in the attached **General Terms and Conditions**, September 1996, with Sections 2 and 9 deleted.



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Mr. Michael A. Greco  
Roemer Wallens & Mineaux  
Quotation No: 9704042180 - Revision # 1  
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If the proposal as described, is acceptable to you, please forward the attached **Interim Authorization to Proceed** section to the appropriate party at Taconic. Commencement of the performance of services will occur upon receipt of this section. However, a Purchase Order from Taconic is required to be submitted to Adirondack Environmental Services, Inc. before Field Testing begins. *Please reference the above quotation number (970404A2180- Revision # 1) on all purchase orders and/or correspondence relative to this project.*

If you have any questions, or if you require additional information, please do not hesitate to contact me, (518) 434-4546. We look forward to working with you on this project.

Sincerely,  
**ADIRONDACK ENVIRONMENTAL SERVICES, INC.**

A handwritten signature in black ink, appearing to read "Robert C. Anderson", is written over a horizontal line.

Robert C. Anderson  
Project Manager



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Mr. Michael A. Greco  
Roemer Wallens & Mineaux  
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**ADIRONDACK ENVIRONMENTAL SERVICES, INC.  
INTERIM AUTHORIZATION TO PROCEED  
QUOTATION NO: 9704042180 - Revision # 1  
Taconic  
Petersburg, New York**

The proposal as described is agreed to and accepted by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Contract Total: \$ \_\_\_\_\_

Purchase Order #: \_\_\_\_\_



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General Terms and Conditions Adirondack Environmental Services, Inc. Sept. 1996

1. Unforeseen Conditions Occurrence Cost and schedule commitments contained in Adirondack Environmental Services, Inc. (AES) proposal shall be subject to renegotiation for unreasonable delays caused by the client's failure to provide specified facilities or information or for delays caused by unpredictable occurrences such as fires, floods, strikes, riots, unavailability of labor or materials or services, process shutdown, acts of God or of the public enemy, or acts of regulations of any governmental agency. Work stoppage or interruption caused by any of the above may result in additional cost (requiring a change in scope) beyond that identified in AES's proposal for performance of the Project, entitling AES to an adjustment to the cost and schedule.

~~2. Payment Terms Invoices will be submitted on a monthly basis unless otherwise stated in the AES proposal. All invoices are due upon receipt. All unpaid balances outstanding over thirty days will incur an interest charge of 1.5% per month or the maximum permissible under state law. AES reserves the right to suspend service with thirty advance written notice until all outstanding invoices are satisfied. In the event that AES is required to pursue payment through retention of counsel or a collection service the client reasonable cost will be incurred by the client.~~

RCA  
4/23/97

3. Termination Any agreement may be terminated in whole or in part in writing by either party in the event of substantial or material failure by the other party to fulfill its obligations under such agreement through no fault of the terminating party, provided that no such termination shall be effective unless the other party is given (1) not less than ten (10) calendar days written notice of intent to terminate and (2) an opportunity for consultation with the terminating party prior to the effective date of such termination. A final invoice will be calculated on the first or fifteenth of the month (whichever comes first) following the effective date of termination.

a. Where the method of payment is based on a "lump sum" the final invoice will be based on the percentage of the work completed up to the effective date of termination.

b. Where the method of payment is based on time and materials, the final invoice will be based on reimbursement for all services and expenses associated with the Project up to the effective date of termination.

c. Where the method of payment is cost plus fixed fee, the final invoice will cover reimbursement for all costs incurred up to the date of termination plus a pro-rata share of the fixed fee.

4. Insurance

a. AES shall maintain policies of insurance for the following types of coverage, each (with the exception of Workers' Compensation) with a limit of liability of \$1,000,000, combined single limit:

- Workers Compensation (statutory) and Employer's Liability;
- Comprehensive General Liability; and
- Comprehensive Automobile Liability

AES shall, at the client's request, provide the client with a certificate of insurance or other satisfactory evidence that such insurance has been obtained and that such policies are maintained in force throughout the period in which AES provides services to the client under any agreement.

b. Upon the mutual agreement of AES and the client, AES shall procure and maintain one or more policies of insurance in addition to the types of insurance described above or procure policies of insurance coverage of the same types described above with increased policy limits to the extent that such insurance is available. Additional premiums and costs incurred by AES in connection with obtaining such additional or different policies of insurance shall be reimbursed by the client as an additional Project expense.

5. Indemnification

a. AES shall indemnify and hold harmless the client and its directors, officers, employees, and agents from and against all liability, claims, suits, losses, damages, costs and demands, including reasonable legal expenses and attorney's fees connected therewith, on account of personal injury, including death, or property damage, sustained by any person or entity not a party to any agreement between AES and client and arising out of or connected with the performance of such agreement, to the extent such injury, death or damage is caused by the sole or contributory negligence or willful misconduct of AES or its subcontractors or their respective employees, officers and agents; provided that such injury, death or damage is not occasioned by the sole negligence of client or its contractors or their respective employees, officers and agents; and provided further, that AES's liability under this indemnity provision shall be limited to and not exceed the insurance coverage's and associated limits of liability which AES is required to secure pursuant to Paragraph 4 hereof; and provided further, that AES's obligation hereunder shall not extend to indemnification or holding harmless of a party indemnified hereunder for any claims of loss of profits or any other indirect, special, incidental or consequential damages of any nature whatsoever.

b. Client shall indemnify and hold harmless AES and its directors, officers, employees, and agents from and against all liability, claims, suits, losses, damages, costs and demands, including reasonable legal expenses and attorney's fees connected therewith, on account of personal injury, including death, or property damage, sustained by any person or entity not a party to any agreement between AES and client and arising out of or connected with the performance of such agreement, to the extent such injury, death or damage is caused by the sole or contributory negligence or willful misconduct of client or its contractors or their respective employees, officers and agents; provided that such injury, death or damage is not occasioned by the sole negligence of AES or its subcontractors or their respective employees, officers and agents; and provided further, that client's obligation hereunder shall not extend to indemnification or holding harmless of a party indemnified hereunder for any claims of loss of profits or any other indirect, special, incidental or consequential damages of any nature whatsoever.

c. Client acknowledges that AES has neither created nor contributed to the creation or existence of any type of hazardous or toxic waste, material, chemical, compound, or substance, or any other type of environmental hazard, contamination, or pollution, whether latent or patent, or the release thereof or the violation of any law or regulation relating thereto, at the site of the Project or in connection with the performance of the Project, and it is understood that AES shall have no liability for any such condition, and client shall indemnify AES for any and all loss, cost, or damage actually sustained and incurred by AES in connection therewith.



d. The provisions of this Paragraph 5 shall survive the completion of the Project or the expiration, cancellation or termination of any agreement between AES and client.

6. Standard of Care

a. AES will perform its services using that degree of care and skill ordinarily exercised under similar conditions by reputable members of the environmental engineering and consulting profession performing the kind of services and practicing in the same or similar locality at the time of service.

b. Except for the express promise set forth in subparagraph a above, regarding AES's standard of care, AES neither makes, nor offers, nor shall AES be liable to client for any express or implied warranties with respect to the performance of AES's services. Estimates of cost, approvals, recommendations, opinions, and decisions are made on the basis of AES's experience, qualifications, and professional judgment and are not guaranteed. AES shall not be regarded as a guarantor with respect to any work product provided to client. **THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY WAIVED BY CLIENT.**

c. AES agrees to reperform and correct at its expense any work or services performed by AES which fails to conform to the standard of care that AES has accepted pursuant to subparagraph a above.

d. In no event shall AES and AES's officers, directors, employees, agents, independent professional consultants and contractors be liable to client and/or anyone claiming by, through or under client, including client's insurers, for any lost, delayed, or diminished profits, revenues, or opportunities; losses by reason of shutdown or inability to utilize or complete work at the site of the Project; or any other incidental, special, indirect, or consequential damages of any kind or nature whatsoever resulting from AES's performance or failure to perform services pursuant to any agreement.

e. AES and AES's officers, directors, employees, agents and independent professional and contractors shall not be liable to client and/or anyone claiming by, through or under client, including client's insurers, nor shall AES be liable to indemnify client pursuant to Paragraph 5, hereof, in an amount which exceeds either (i) \$100,000 or the total compensation value to AES of the Project, whichever amount is less, if the claims of client or client's insurers against AES are not covered by the insurance coverage's and associated limits of liability which AES is required to maintain pursuant to Paragraph 4 hereof or (ii) \$100,000,000 if the claims of client or client's insurers against AES are covered by the insurance coverage's and associated limits of liability which AES is required to maintain pursuant to Paragraph 4 hereof. The client hereby forever releases AES and its officers, principals, employees and agents from any liability for losses or damages sustained and incurred by the client in excess of such amount.

f. As used in this Paragraph 6 the term "liable" or "liability" means liability of any kind, whether in contract (including breach of warranty), in tort (including negligence, whether of AES or others), in strict liability, for indemnity, or otherwise, for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to AES's services from any cause or causes whatsoever, including but not limited to the negligence, errors, omissions, strict liability or breach of contract of AES and/or AES's officers, directors, employees, agents and independent professional consultants, or any of them. The provisions of this Paragraph 6 providing for limitations of and protections against AES's liability shall survive the completion of the Project or the expiration,

cancellation, or termination of any agreement between AES and client, and such provisions shall apply to the full extent permitted by law.

7. Hazardous Materials Client recognizes that, when it is known, assumed or suspected that hazardous materials exist on or beneath the surface of the site of the Project or within any structure thereon, certain sampling materials, such as drill cuttings and drilling fluids or asbestos removed for sampling, should be handled as if hazardous or contaminated. Accordingly, when sampling is included in the scope of services and when determined by AES in its sole and exclusive judgment to be necessary based on AES's assessment of the degree of contamination, hazard and risk, AES will promptly inform client that containerization and labeling will be performed; will appropriately contain and label such materials; and will leave the containers on site for proper, lawful removal, transport and disposal by client. Client waives any claim against AES, and agrees to indemnify, defend and hold AES harmless from any claim or liability for injury or loss which may arise as a result of the drill cuttings, drilling fluids or other assumedly hazardous materials being left on the site of the Project after their containerization by AES.

8. Documents All correspondence, written reports and supporting documents provided under this agreement are for exclusive use and reliance by the client. Client acknowledges that these documents will not be used or relied upon by entities other than the client and may not be used or relied upon in any prospectus or offering curriculum.

9. ~~Representation~~ Client agrees that AES may use its name and general description of the Project as a reference for marketing to other prospective clients.

AES  
4/23/97

10. Subpoena Depositions If AES personnel are called or subpoenaed for depositions, examination, or court appearances in any dispute arising out of the Project, AES shall be reimbursed on a time and material basis in accordance with this agreement for such matters, including all out-of-pocket costs incurred in connection with such matters.

11. Severability If any of these General Terms and Conditions shall be finally determined to be invalid or unenforceable in whole or in part, the remaining provisions hereof shall remain in full force and effect and be binding upon the parties. The parties agree to reform the contract between them to replace any such invalid or unenforceable provisions with a valid and enforceable provision that comes as close as possible to the intention of the stricken provision.

12. Priority and Integration Once the client has signified its acceptance of AES's proposal, the express terms of AES's proposal to client and these General Terms and Conditions shall constitute the complete and exclusive statement of the terms of the agreement between the parties and are intended as a final expression of the terms of such agreement and will supersede all prior and contemporaneous agreements, representations or conditions, express or implied, oral or written. No provision of AES's proposal or these General Terms and Conditions may be waived, altered, or modified in any manner, unless the same shall be set forth in writing and signed by a duly authorized representative of AES. Client may use its standard business forms (such as purchase orders) to administer any agreement between AES and client, but use of such forms shall be for convenience purposes only, and any typed provision in conflict with the terms of AES's proposal or these General Terms and Conditions and all pre-printed terms and conditions contained in or on such forms shall be deemed stricken and null and void.