

 State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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July 8, 1999

Mr. Thomas Gialdini
 P.O. Box 38
 Goodman, WI 54125 - 0038

Subject: Clarification of environmental Liability for Property Located at 610 Main Street,
 Goodman, WI 54125

DNR BRRTS ID # 02 - 38 - 000498

Dear Mr. Gialdini:

You recently contacted me and asked a number of questions concerning your environmental liability for a property located at 610 Main Street in Goodman, Wisconsin – known as the American Graphics Site – (hereinafter, “the Property”). As the hydrogeologist and project manager from the Department of Natural Resources (DNR) for the Property, I agreed to provide you with a letter clarifying your potential environmental liability, or your lender’s liability if that is the case, for the property you plan to purchase. Please find listed below a brief summary of the Property’s environmental condition and a list of answers to the questions posed in your inquiry.

Background:

American Graphics, Inc. (AGI) occupied the subject property from 1979 to 1993 and was engaged in the business of printing labels for food, household and beverage items. A release of ethyl acetate associated with a 3,000 gallon underground storage tank (UST) and associated above grade storage drums at AGI was reported to the Wisconsin Department of Natural Resources (DNR) in September, 1991.

In December 1992, Remedial Engineering, Inc. (REI) detected 1,1,1 trichloroethane (1,1,1 – TCA) in two shallow depth soil samples in the vicinity of the UST and storage drums. Four on-site UST’s were identified: one 6,000 gallon solvent blend (“Trichlor Toluol”) tank, one 3,000 gallon ethyl acetate tank, one 3,000 gallon tank of unknown contents and one 1,200 gallon heating oil tank.

In November 1993, REI installed and sampled soil and groundwater from four on – site soil borings/monitoring wells located to the northeast of the USTs. Several volatile organic compounds (VOCs) were detected in soil and groundwater samples. Elevated concentrations of toluene, 1,1 – dichloroethene (1,1 – DCE), 1,2 – dichloroethane (1,2 – DCA), and 1,1,1 – TCA were detected above the Ch NR 140 Enforcement Standards (equivalent to the federal Safe Drinking Water Standards).

From August through October 1996 and again from June 1997 through February 1998, Natural Resources Technology, Inc. (NRT) performed additional investigations on and off the property to determine the degree and extent of the contamination.

The depth to groundwater at the Property ranges from 27 to 41 feet below ground surface and flows generally to the east. Based on the investigation by NRT from October 1996 through February 1998, a contaminant plume has been detected on and off site and extended to approximately 1020 feet off the property to the east – northeast. The contaminants identified in the groundwater on and off – site consist of benzene, toluene, chloroform, tetrachloroethane (PCE), trichloroethene (TCE), 1,1, - DCE, 1,1,1, - TCA, 1,1 – DCA, and 1,2 dichloroethane (1,2 – DCA).

Four private potable wells are located to the east – southeast of AGI. Sampling performed at the private wells indicate that they have not been impacted by the AGI contamination. Two municipal wells are located approximately 1,000 to 1,200 feet down gradient from AGI. Sampling performed at the municipal wells indicate that they have not been impacted by the AGI contamination. Separating the AGI contamination from the municipal wells is Chemical Creek. Contamination is apparently discharging to Chemical Creek. The creek appears to be acting as a barrier which prevents the contamination from spreading further.

Four USTs remain at the AGI site and would be located on the part of the property that you wish to purchase. A copy of a figure showing the location of the USTs is attached. There is no measurable amount of liquid in any of the USTs.

Approximately 20 to 30 barrels of non – hazardous drill cuttings are located on the northeast side of the property, near the Northern Loading Dock Area. More specifically, they are located near monitoring well MW – 2 as shown on the attached figure. Also shown on the attached figure are the locations of all on – site groundwater monitoring wells.

There is at least one to three groundwater monitoring wells that remain on the part of the Property that you intend to purchase. They will have to be properly abandoned at some point in the future.

The DNR has been and still is committed to cleaning up the site. The DNR is responsible for any future investigations at the site including sampling existing groundwater monitoring wells. The DNR is responsible for removal and disposal of the drill cuttings that are contained in the 55 – gallon barrels located on the Northern Loading Dock Area. The DNR is also committed to cleaning up the contamination remaining at the site, if in fact, there is any remaining contamination at the site at this time. We intend to perform another round of groundwater monitoring on and off the Property some time during this summer. That will tell us what is needed regarding cleanup. We will confer with you and the current owner the Property prior to doing any cleanup.

Issues:

During our recent conversations and based on a letter from your attorney, Mr. James N. Effland, dated June 23, 1999, you identified three issues of concern to you concerning the Property, which were:

1. What was your liability for any of the cleanup at the Property?

Response: *The DNR remains committed to the cleanup of the Property and contaminated off – site areas if they are still necessary. An additional round of groundwater monitoring will be performed this summer to determine the extent of cleanup that is still needed. The only way that you, as a potential purchaser of the Property (or part thereof), could be held liable for future cleanup activity is if you exacerbated the problem by disturbing cleanup equipment (once placed) or by adding to the contamination through additional spills.*

2. Were there any remaining USTs on the Property?

Response: *When we met at the Property on June 22, 1999 (accompanied by Mr. Effland) I mistakenly told you that there were no USTs remaining on site. There are four (4) as indicated in paragraph three on Page 2 of this letter. Based on past work performed at the Property by DNR contractors, there is no measurable amount of liquids in the USTs. If it is necessary to remove the USTs, that will be the responsibility of the DNR.*

3. Who would be responsible for removing the (20 to 30) 55 – gallon barrels of drill cuttings.

Response: *Removal of the barrels will be the responsibility of the DNR. We intend to issue a contract this summer for that purpose.*

4. What type of additional site access would the DNR need in the future (for monitoring or cleanup purposes)?

Response: *The DNR will need to have access to any of the groundwater monitoring wells that exist on and off the Property later this summer for monitoring purposes. We will be able to notify you well in advance about when the access will be needed. We cannot see any reason why the monitoring event should affect the operation of your business in any way. Once the monitoring data is returned to us by the laboratory, we may need to gain access to parts of the Property to install cleanup equipment. Since we will not know what type of cleanup equipment or the size of the area that needs to be cleaned up until after we receive the laboratory results, it is difficult to fully address this concern at this time. However, once we reach a decision making point, we will confer with you and the other owner of the Property to minimize any disruption to your operations. When the Property has been determined to be cleaned up, we will need access to the monitoring well site locations to properly abandon the wells.*

In addition to the above, if you are financing any part of the purchase through a lender, the following applies. As of May 13, 1994, lenders and representatives were provided with a clear release from environmental liability under Wisconsin's hazardous substance discharge law, if they were involved in lending activities at a property contaminated by a hazardous substance discharge. Subject to certain limited conditions, lenders involved with a contaminated property cannot be held environmentally responsible for a property if the lender:

1. engages in normal lending activities, such as executing mortgages, providing financial assistance, or advancing funds;
2. acquires the property and conducts an environmental assessment;
3. inspects the property before acquiring it;
4. enforces a security interest in personal property or fixtures; or
5. acts as a representative.

These five situations are further explained in "Fact Sheet 5: Environmental Liability Exemption for Lenders and Representatives (10/95)" which can be provided to you if you wish. At the Property, the

DNR cannot hold a lender responsible for the environmental cleanup, except in the rare situation where the lender would directly or indirectly (i.e., through tortuous conduct) cause a discharge of a hazardous substance. Therefore, any lender engaged in normal lending activities with the Property or business could not be held liable under Wisconsin's Hazardous Substance Discharge law for the cost of investigating and cleaning up the Property. If you intend to use a lender, they can also request a letter from the DNR clarifying their liability.

Additionally, we want you to be aware that as far as we know, there has not been nor is there now any potential interest by the U.S. EPA involving the Property. The U.S. EPA has no interest in parties, such as you, where the parties are cooperating (in a cleanup) with the DNR or if the DNR is doing the cleanup.

Finally, there is little or no chance of the DNR reopening this site once it is closed. The DNR will issue a "no further action" or "case closed out" letter at the completion of the cleanup. Just exactly how that letter will be issued is a question at this time since DNR is doing the cleanup. The letter will state that the DNR has determined that no further cleanup action is necessary, based on information available to the DNR at the time. The DNR can only require the property owner or the party that caused the contamination to take further action to address a previously closed out area of the property if information regarding site or facility conditions not previously known to the DNR "indicates that contamination on or from the site or facility poses a threat to public health, safety or welfare or the environment." (See s. NR 726.09(1), Wis. Adm. Code)

In order to require further work at a site following the issuance of a closure letter, Chapter NR 726, Wis. Adm. Code, places the burden on the DNR to demonstrate that residual contamination that existed prior to the issuance of such a letter still poses a threat to public health or the environment and requires further action. Out of the approximately 8,500 cleanup cases closed by the DNR to date, very few have been reopened.

In closing, I hope that this letter has helped to clarify your environmental liability, as well as any lender's liability for you business and the Property. Please don't hesitate to call me at (715) 582 - 5048 if you have any further questions.

Sincerely,

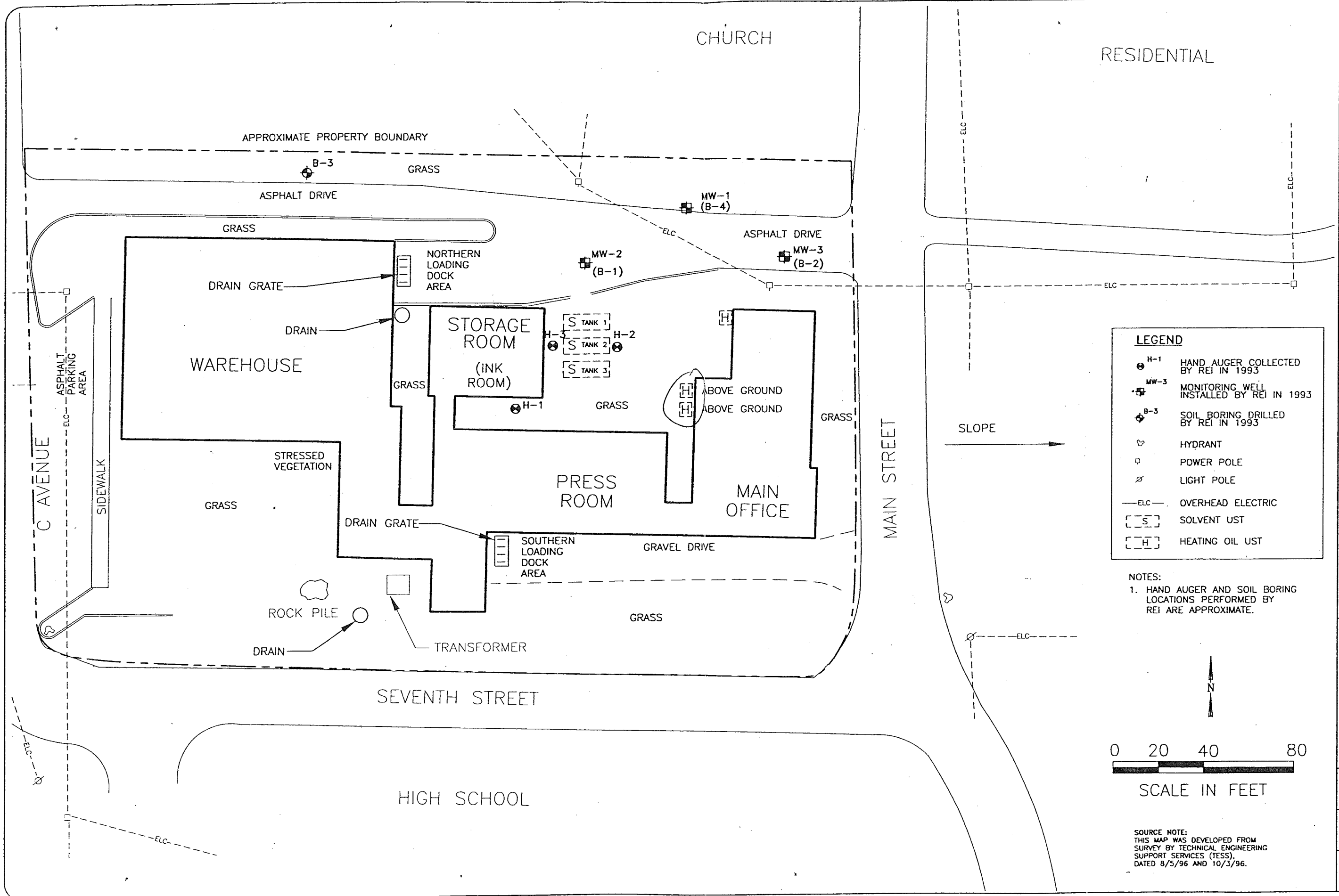


Mike Netzer, P.G., Hydrogeologist
Remediation and Redevelopment Program
Wisconsin Department of Natural Resources
Northeast Region - Peshtigo Service Center

CC: Joe Renville - LS/5
Judy Ohm - LS/5
Darsi Foss - RR/3
Bruce Urben - NER
Kathy Erdman - NER

CHURCH

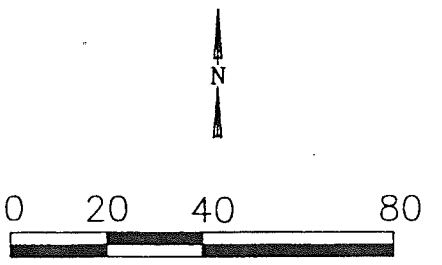
RESIDENTIAL



LEGEND

- H-1 HAND AUGER COLLECTED BY REI IN 1993
- MW-3 MONITORING WELL INSTALLED BY REI IN 1993
- B-3 SOIL BORING DRILLED BY REI IN 1993
- HYDRANT
- POWER POLE
- LIGHT POLE
- ELC OVERHEAD ELECTRIC
- S SOLVENT UST
- H HEATING OIL UST

NOTES:
 1. HAND AUGER AND SOIL BORING LOCATIONS PERFORMED BY REI ARE APPROXIMATE.



SOURCE NOTE:
 THIS MAP WAS DEVELOPED FROM SURVEY BY TECHNICAL ENGINEERING SUPPORT SERVICES (TESS), DATED 8/5/96 AND 10/3/96.

DRAWN BY:	TAS	DATE:	1/7/97
CHECKED BY:	RSK	DATE:	03/06/97
APPROVED BY:	TEM	DATE:	3-6-97

ON-SITE LAYOUT
 SITE INVESTIGATION
 FORMER AMERICAN GRAPHICS, INC. FACILITY
 610 MAIN STREET
 GOODMAN, WISCONSIN

Natural Resource Technology

PROJECT NO.	1135/7
DRAWING NO.	1135-B13
FIGURE NO.	3

AUTOCAD FILE: 1135-B13.DWG