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August 16, 2004

VIA FACSIMILE (920-387-7888) AND U.S. MAIL

FID 341 055 770

Mr. David Edwards
Wisconsin Department of Natural Resources
Enforcement, Investigations & Emergency Management Section
101 S. Webster Street
P.O. Box 7921
Madison, WI 53707-7921

RE: Bishop's Creek Community Development Corporation

4763 North 32nd Street, Milwaukee, Wisconsin Notice of Violation Dated August 3, 2004

Dear Mr. Edwards:

We are writing this letter on behalf of Quarles & Brady's client, Bishop's Creek Community Development Corporation ("Bishop's Creek CDC"). Specifically, this letter is in response to the August 3, 2004 Notice of Violation ("NOV") letter issued by the Wisconsin Department of Natural Resources ("WDNR" or "Department"). A copy of the NOV is attached to this letter.

In the NOV, the Department states that it believes that conditions at the property, "pose an immanent danger to public health and the environment." As a result, the Department states that Bishop's Creek CDC's immediate attention to eliminating this imminent danger is necessary. Bishop's Creek CDC has undertaken the following steps in regard to the site conditions. It has hired Braxton Environmental to prepare a demolition and abatement plan for the fire damaged buildings that are the subject of the City of Milwaukee Raze Order. Braxton will work in conjunction with Walter's Wrecking to conduct this work. It is our understanding that representatives of Braxton Environmental recently have met at the site with Mr. Mark Davis of the WDNR, and have been in contact with Mr. Davis subsequent to that meeting, to develop a plan that is satisfactory to the Department.

Additionally, Bishop's Creek CDC has retained Drake Environmental, Inc. to identify and segregate 55 gallon drums containing unknown materials, as well as other miscellaneous size containers of unknown materials. These containers will be moved to a secure location at the

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property away from the demolition area, to allow for appropriate demolition of the building materials, and subsequent characterization and disposal of those building materials. The containers of unknown materials will be tested, and will also be properly handled and disposed. John Hnat, the WDNR project manager for the site, has been informed of this plan and he has approved it.

Bishop's Creek has retained 24 hour, around the clock on-site security staff in order to assure that no one but authorized personnel enters the site. Bishop's Creek has also secured the site with additional fencing around the entire perimeter of the property, to increase the site security.

Currently, the demolition and asbestos abatement plan to be conducted by Braxton Environmental is scheduled to begin later this week, after the necessary preparatory work has been completed.

In short, Bishop's Creek CDC is undertaking appropriate and prudent measures to keep the public away from the property, so that the fire damaged buildings and their contents can be appropriately addressed. We would note, however, that certain elements of the Department's August 3, 2004 NOV letter appear to be based on outdated and incorrect information. In particular, the letter asserts that:

According to reports from environmental consulting firms, there are numerous 55-gallon barrels and miscellaneous sized containers of hazardous waste, hazardous substances, or unknown materials in the buildings. The fire of July 11, 2004 and previous fires at the property have created an imminent danger to public health and the environment.

It appears that this information is based on earlier site walk-throughs of the site, dating from several years ago. Prior to Bishop's Creek CDC's purchase of the property, it conducted environmental due diligence of the site. While there were instances of 55-gallon barrels and other miscellaneous sized containers at the property, there were far fewer of these containers than had been identified in the past. Additionally, a good number of these 55-gallon barrels were open containers, and had been used to collect trash in the buildings. Therefore, these were not containers of hazardous waste or hazardous substances. As indicated earlier, Bishop's Creek CDC will find and segregate the visible and accessible containers in the fire damaged areas, and will move them to a secure location on the property, for characterization and then appropriate handling, depending on whether or not they contain any hazardous substances.

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On behalf of Bishop's Creek CDC, we trust that this information is responsive to your August 3, 2004 correspondence.

Very truly yours,

QUARLES & BRADY LLP

George J. Marek

GJM:rjg Enclosure

cc: Bishop Sedgwick Daniels -- Bishop's Creek CDC (w/encl.)

John W. Daniels, Jr., Esq. (w/encl.)

Mr. Bill Cook -- Braxton Environmental (w/encl.)

Mr. D.J. Burns -- Drake Environmental (w/encl.)

Mr. John Hnat -- WDNR (w/encl.)

Mr. Mark Davis -- WDNR (w/encl.)

Ms. Amy Walden -- WDNR (w/encl.)

Ms. Sandra Miller -- WDNR (w/encl.)

Mr. Saji Villoth -- WDNR (w/encl.)