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December 8, 1993

Mr. Frank P. Guiffre
D&F Company
6635 South 13th Street
Milwaukee, WI 53221

Re: Waukesha Plant
1005 Perkins Avenue
Waukesha, Wisconsin

Dear Mr. Guiffre:

This firm represents VME Americas Inc. VME Americas has been engaged in various environmental remediation efforts at the facility referenced above pursuant to the indemnification agreement of February 12, 1993 between D&F Company and VME. This letter will update you regarding the status of those efforts.

The five underground storage tanks previously identified at the facility have been removed, together with certain contaminated soils located in the vicinity of those tanks. I am enclosing for your reference a copy of the UST closure checklist prepared by VME's environmental consultant, Versar Inc.

The Phase IIB Environmental Assessment previously provided to you also indicated the presence of PCB contamination in the surface soils on the adjoining parcel east of the plant. Versar has prepared a Phase III report pertaining to the proposed removal of the impacted soils. A copy of this report has been provided to the Wisconsin Department of Natural Resources, and an additional copy is enclosed for your reference. The WDNR has authorized VME to proceed with excavation and removal of contaminated soils from that surface lot. This removal operation will commence on December 8, 1993.

At the present time, I would like to advise you of two additional matters reported by Versar to VME. A copy of Versar's report letter is enclosed. The first pertains to the discovery of a sixth UST immediately adjacent to the building. VME and its Akerman affiliate had no prior knowledge regarding the existence of this tank, which apparently was installed prior to the time that VME took title to the property. Versar has sampled the tank

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contents. Soil borings in the immediate vicinity of the sixth tank indicate that there have been no releases from this tank into the environment. VME is notifying you, as current owner of the facility, regarding the existence of this tank so that you may take all necessary steps to register this tank with the Wisconsin Department of Industry, Labor and Human Relations pursuant to the requirements in ILHR 10.

The second matter relates to the detection of certain volatile organic compounds in the groundwater beneath the site. Versar has conducted an investigation into the presence of these compounds in the groundwater. Versar has uncovered no evidence of any spill or release of these compounds at the facility. The six USTs have been ruled out as possible sources. Versar concludes that the groundwater contamination most likely results from an off-site source to the north of the facility. While it appears that there has been no "discharge" that would trigger any notification requirements under Section 144.76 of the Wisconsin Statutes, VME nevertheless thought it advisable to provide this information to you so you can make an independent determination as to any reporting obligation that you, as current owner, may have. Should you require any additional information, please do not hesitate to give me a call.

Sincerely,

GIBBS, ROPER, LOOTS & WILLIAMS, S.C.



David J. Edquist

DJE/mss
Enclosures
cc: Mark DeLong
Jon Hill