



November 5, 2012

First Federal Bank of Wisconsin
P O Box 1198
Waukesha, WI 53187-1198

Subject: Lender Liability Clarification and Current Environmental Conditions for the Pro Star Milwaukee FMR Property, 3101 West Cameron Avenue Milwaukee, WI

FID: 341220990
BRRTS: 07-41-559283
Tax Parcel # 207-0287-100-0

Dear Sirs:

Purpose

On August 30, 2012, the Wisconsin Department of Natural Resources ("the Department") received a request, along with the required \$500 fee, for a lender liability clarification letter. The purpose of this letter is to provide First Federal Bank of Wisconsin with the requested clarification of environmental liabilities of the Pro Star Milwaukee FMR ("the Property"), located at 3101 West Cameron Avenue, Milwaukee, Wisconsin, Milwaukee County which First Federal Bank of Wisconsin acquired on July 19, 2012. Please refer to the attached Figure 1, for a map of the Property.

Request

The August 30, 2012, letter requested a determination from the Department on whether First Federal Bank of Wisconsin is eligible for the lender liability exemption under Section 292.21, Wis. Stats., for the Property lender has acquired title to through enforcement of a security interest.

The following were also submitted with the request:

- Lender Liability Exemption Environmental Assessment Tracking Form, dated August 29, 2012; and
- "*Phase I Environmental Site Assessment*", Giles Engineering Associates, Inc., May 14, 2012
- "*Limited Phase II Environmental Site Assessment & Supplemental Site Investigation Report*", Giles Engineering Associates, Inc., May 31, 2012.

Summary of Environmental Conditions

- First Federal Bank of Wisconsin is currently the owner of the Property, has mortgagee interest in the Property, and acquired the Property by deed in lieu of foreclosure.
- The current one-story structure was originally constructed in 1931.
- Former usage of the Property was a dry cleaner and screw manufacturer.

- The structure west of the Property is currently vacant. The remaining adjoining properties are currently occupied by residential and commercial structures or undeveloped land.
- Five Underground Storage Tanks (USTs) were closed in-place using gravel.

Recognized Environmental Conditions

In accordance with s. 292.21, Wis. Stats., the following Recognized Environmental Conditions (RECs) were identified in the report:

- One 8,000-gallon fuel oil UST and four 550-gallon USTs of unknown contents were abandoned in-place.
- The possible soil and/or groundwater contamination from the former presence of a gasoline tank at 3111 West Cameron Avenue (immediately west of the Property).
- The former use of a portion of the southeast region of the Property as a dry cleaning facility.

Sampling Conducted

- Giles Engineering completed seven direct-push soil borings. Three soil borings were placed in the building space adjacent to the Property line for the west adjoining 3115 West Cameron property that had a history of a gasoline tank and machine shop operations. Two soil borings were placed within the structure located at 4125 31st Street which was a former dry cleaning facility. Two soil borings were completed in the building space along North 31st Street to assess the potential for petroleum impacts from the tanks abandoned in place at the Property. The soil borings were completed to a maximum depth of 25-feet below ground surface (bgs) to evaluate the potential presence and degree of soil impacts.
- Twelve selected soil samples (two samples per soil boring, except one location that encountered 24-inches of concrete) from the soil borings were analyzed for Volatile Organic Compounds (VOCs) and polynuclear aromatic hydrocarbons (PAHs).
- Six temporary wells were installed in the open soil borings and sampled for VOC groundwater contamination.
- One Chapter NR 141, Wis. Adm. Code groundwater monitoring well (MW-1) was installed and tested for VOCs.
- Detected VOCs do not exceed the Wisconsin Administrative Code (WAC) Chapter NR 720 Table 1, Residual Contaminant Levels (RCLS) for the protection of groundwater; the Chapter NR 746 (WAC) Table 1, Free Product Indicator levels, and/or the Chapter NR 746 (WAC) Direct Contact standards.
- PAHs were detected at concentrations above their respective laboratory method detection limits (MDL) and/or were detected at concentrations between their respective laboratory MDLs and limit of quantitation (LOQ). The detected PAH compounds did not exceed the Department's suggested generic soil RCLs for non-industrial direct contact pathway (soil from 0 to 4-feet bgs).
- Benzene was detected in temporary well GP-4 (3.1 ppb) that is above the Department's Preventative Action Limit (PAL = above 0.5 ppb and below 5.0 ppb) but below the Enforcement Standard (ES = 5.0 ppb).
- Benzene was detected above the Chapter NR 140 ES in the groundwater monitoring well MW-1 during the March 9, 2012 (15.0 ppb) and March 29, 2012 (8.6 ppb) sampling events. No other VOCs were detected above the PAL indicating a decreasing trend in concentration value.

- The Department's Southeast Regional Closure Committee reviewed and approved the case closure for this property on August 16, 2012.
- The property is listed on the Department's Remediation and Redevelopment Program's GIS Registry for groundwater contamination present above the Chapter 140 enforcement standards.

Exemption Conditions

Under Wisconsin's Hazardous Substance Spill Law (the "Spill Law"), s. 292.11, Wis. Stats., a person who "possesses, controls or causes" a hazardous substance discharge is liable for taking necessary investigation and cleanup actions at the Property. Section 292.21, Wis. Stats., provides a liability exemption for lenders. A lender is not subject to s. 292.11(3), (4) or (7)(b) or (c), Wis. Stats., and is not liable under chapters 281, 285, 289, 291, or 293 to 299, Wis. Stats., for a discharge of a hazardous substance that occurred on the Property, before the lender takes title, possession or control of the Property through enforcement of a security interest in the Property. Section 292.55(1)(d)1., Wis. Stats., authorizes the Department to issue letters concerning potential liability for environmental pollution.

The lender must meet all of the conditions in s.292.21, Stats. to qualify for the liability exemption, including but not limited to the following provisions:

- The lender does not intentionally or negligently cause a new discharge of a hazardous substance or exacerbate an existing discharge.
- The lender notifies the Department of any known discharge of a hazardous substance.
- The lender conducts an environmental assessment of the Property not more than 90 days after the date the lender acquires title to, or possession or control of, the Property and files a complete copy of the environmental assessment with the Department not more than 180 days after the date the lender acquires title to, or possession or control of, the Property. The requirements for conducting an environmental assessment are found in s. 292.21(1)(c) 2., Wis. Stats.
- If a discharge of a hazardous substance occurs on or after the date, on which the lender acquires title to, or possession or control of, the Property, the lender implements an emergency action under s. NR 708.05, Wis. Adm. Code, in response to the discharge of the hazardous substance.
- For a hazardous substance released on or after the date on which the lender acquires title to, or possession or control of, the Property, the lender does not engage in the operation of a business at the Property, complete work in progress or take other actions associated with conducting the conclusion of the borrower's business (s. 292.21(1)(c)1., Wis. Stats.).
- The lender agrees to allow the Department and any party that possessed or controlled or caused the hazardous substance discharge, and their consultants or contractors, to enter the real Property to take action to respond to the discharge.
- The lender agrees to avoid any interference with action undertaken to respond to the discharge and to avoid actions that worsen the discharge.
- The lender agrees to any other condition that the Department determines is reasonable and necessary to ensure that the Department or another person can adequately respond to the discharge.

Lender Liability Determinations

The Department has reviewed the materials submitted by First Federal Bank of Wisconsin. The Department believes that First Federal Bank of Wisconsin meets the conditions of an exempt lender in s. 292.21, Wis. Stats., by taking title to the Property. In addition, the Department agrees to exercise enforcement discretion under

Wisconsin's Hazardous Waste Management Laws, regarding the provisions of Ch. 291, Wis. Stats., and rules promulgated under that chapter.

The Department makes the following, site-specific liability determinations:

1. First Federal Bank of Wisconsin acquired the Property through enforcement of a security interest in the Property, and has conducted the required environmental assessment within 90 days of taking title.
2. First Federal Bank of Wisconsin provided a copy of an environmental assessment report to the Department within 180 days of acquiring title, as evidence that there has been a known discharge of hazardous substance at the Property.
3. First Federal Bank of Wisconsin has not intentionally or negligently caused a new hazardous substance discharge at the Property.
4. First Federal Bank of Wisconsin has met the requirements for an environmental assessment under s. 292.21(1)(c)1.d. and (1)(c)2.a. through i, Wis. Stats., including the requirement that an environmental assessment be conducted not more than 90 days after the date of acquisition of the Property. This environmental assessment report was conducted May 14, 2012. And the Property was acquired, possessed, or controlled on July 19, 2012.
5. First Federal Bank of Wisconsin has notified the Department of the Known Discharge of hazardous substance.
6. First Federal Bank of Wisconsin continues to meet all of the conditions for liability exemption eligibility that are listed in s. 292.21, Wis. Stats.
7. The Department will not hold First Federal Bank of Wisconsin liable for the investigation or clean-up of the Property under either the state's Spill Law or Hazardous Waste Laws, if the following requirements are satisfied:
 - First Federal Bank of Wisconsin's method of acquiring title to, or possession, or control of the real property is through the enforcement of a security interest;
 - First Federal Bank of Wisconsin properly manages any containerized hazardous waste materials in accordance with Ch. NR 600, Wis. Admin. Code;
 - The discharge of a hazardous substance was not caused by an action taken by First Federal Bank of Wisconsin, or by a failure of First Federal Bank of Wisconsin to act;
 - First Federal Bank of Wisconsin agrees that any material or environmental media generated at the Property (e.g., contaminated soil generated as part of trenching for utilities) will be managed in accordance with applicable federal and state laws; and
 - First Federal Bank of Wisconsin understands that a lender exemption, and the hazardous waste enforcement discretion decision by the Department, will continue throughout First Federal Bank of Wisconsin's ownership of the Property and beyond, but is not transferable from First Federal Bank of Wisconsin to future owners.

Please note that this letter does not exempt any existing underground storage tanks on the Property from compliance with federal and state requirements, including Ch. SPS 310, Wis. Adm. Code. If you have questions regarding these requirements, you should contact the Department of Safety and Professional Services, (formerly Commerce), directly.

First Federal Bank of Wisconsin will not be held responsible under Wisconsin's Hazardous Substance Spill Law, s. 292.11, Wis. Stats., for hazardous substance discharges which were present on the Property prior to First

Federal Bank of Wisconsin acquiring title to, or possession and control of, the Property. If contamination is later discovered that was not revealed by the environmental assessment, First Federal Bank of Wisconsin will not be subject to ss. 292.11(3), (4), or (7)(b) or (c), Wis. Stats., and will not be liable under chs. 281, 285, 289, 291, or 293 to 299, Wis. Stats., for a discharge of a hazardous substance on the Property as long as First Federal Bank of Wisconsin continues to comply with the requirements of s. 292.21(1)(c), Wis. Stats., and does not cause a new hazardous substance discharge or exacerbate an existing discharge on the Property.

This response letter relates only to the state's lender liability clarification and exemption and makes no determination for other persons concerning the presence or absence of hazardous substances other than those identified in the reports provided.

To determine what specific actions would satisfy the **federal** lender liability requirements under CERCLA, we advise that you contact either Thomas Krueger at (312) 886-0562) or by email to Krueger.Thomas@epamail.epa.gov, or John Tielsch at (312) 353-7447 or by email to Tielsch.John@epamail.epa.gov. Their mailing address is U.S. EPA REGION 5, Office of Regional Counsel (C-14J), 77 W. Jackson Blvd., Chicago, IL 60604-3590. The U.S. EPA should be able to provide you with guidance on whether your current and proposed actions concerning the Property are consistent with the federal CERCLA lender liability requirements.

The Department tracks information on contaminated properties in a database that is available on the Internet at <http://dnr.wi.gov/topic/Brownfields/clean.html>. The Bureau for Remediation and Redevelopment Tracking System (BRRTS) identification number for this activity is included at the top of this letter. Click on "BRRTS on the web" to access information about this activity.

If you have any questions or concerns regarding this letter, please contact the Project Manager John J. Hnat at 414-263-8644, or the LRT member Margaret Brunette at the Department's Southeast Regional Office directly at 414-263-8557, or by email to Margaret.Brunette@Wisconsin.gov.

Sincerely,



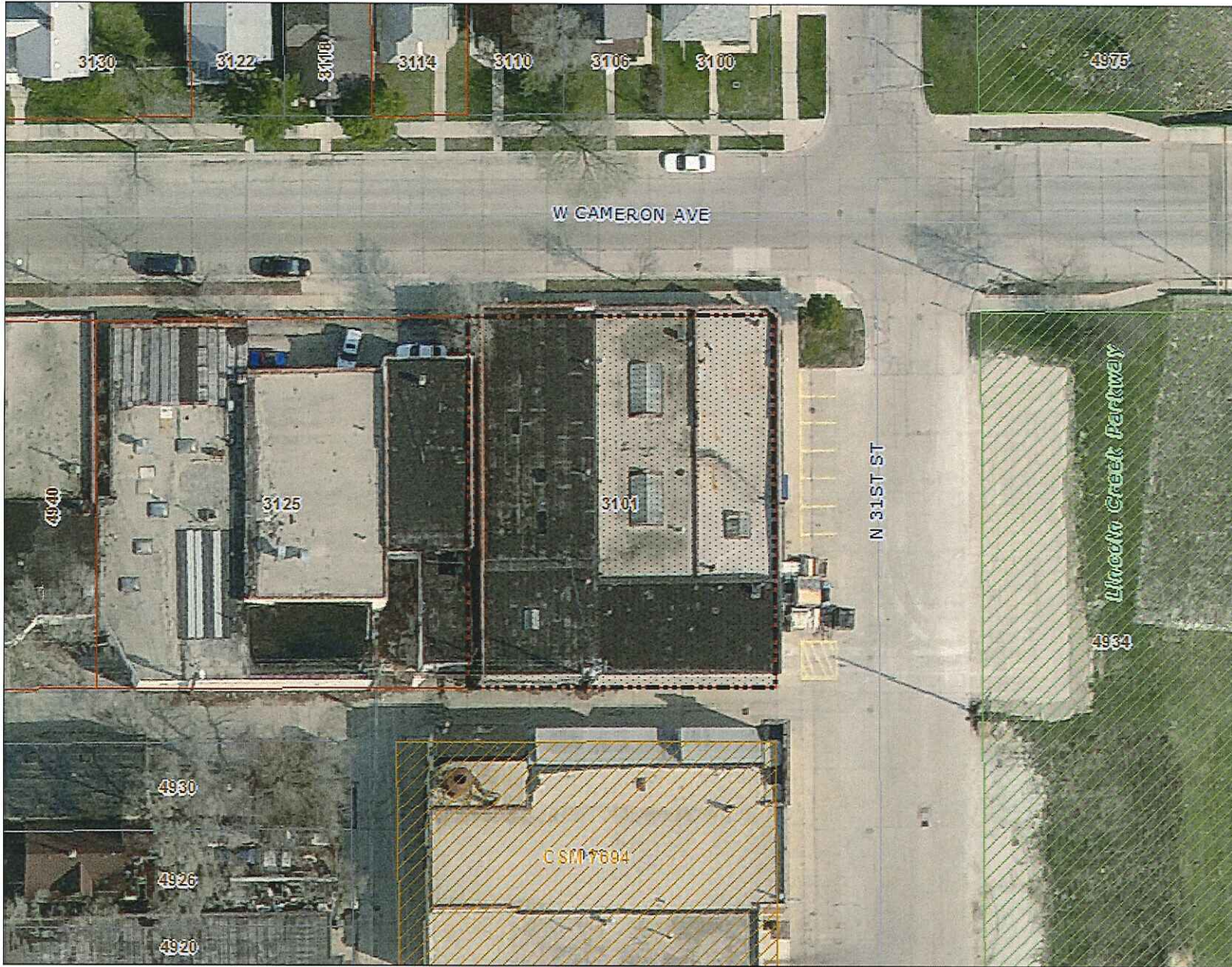
Pamela M. Mylotta
Southeast Region Team Supervisor
Remediation and Redevelopment

Attachment: Figure 1, ProStar Milwaukee FMR 3101 W Cameron Ave.

C: Kevin Bugel, Giles Engineering
Richard Kobriger, Cramer, Muthauf & Hammes, LLP
SER Files
Dan Kolberg, DNR-CO-RR/5



Pro Star Milwaukee FMR 3101 W Cameron Ave.



Legend

- CSM Documents
 - Condo Documents
 - Subdivision Documents
 - LiDAR Control Points
 - PLSS Corners
 - County Boundary
 - Highways, to 8k
 - Street Centerlines, 0k to 8k
 - Railroad 8k
 - Water 8k
 - Rivers 8k
 - Airport 8k
 - Landmarks 8k
 - County Parks 8k
 - Municipal Subdivisions 25k
 - Plat of Survey
 - Tax Parcels
- 2010(High Res) NAT CLR
- Red: Band_1
 - Green: Band_2
 - Blue: Band_3

1: 568



DISCLAIMER: This map is a user generated static output from the Milwaukee County Land Information Office Interactive Mapping Service website. The contents herein are for reference purposes only and may or may not be accurate, current or otherwise reliable. No liability is assumed for the data delineated herein either expressed or implied by Milwaukee County or its employees.

Notes

Tax Parcel # 207-0287-100-0
Figure 1