

April 21, 2015

Mr. Jason Wick
Guardian Pest Solutions, Inc.
701 E. 4th Street
Duluth, MN 55805

Subject: Liability Clarification Letter Concerning Environmental Liability
Winter Business Park – Parcel I, Susquehana and Halvor Lane, Superior, WI
Tax Parcel ID #: 068060073900
BRRTS #: 02-16-000331; 07-16-563483

Dear Mr. Wick:

The purpose of this letter is to provide you with clarifications regarding the environmental liability that a purchaser may have for a portion of the property located at the Winter Business Park – Parcel I, Susquehana and Halvor Lane, Superior, Wisconsin (“the Property”). According to Douglas County Land Records the Property is owned by Winter Business Park, LLC and is designated as parcel identification number 068060073900. This letter refers to a the southwestern portion of Parcel I referenced on the attached map, Figure 2, Site Map, American Engineering and Testing, dated March 26, 2014. The Department of Natural Resources (“Department”) has agreed to provide you with a letter clarifying the environmental liability associated with contaminants detected at the Property and respond to your specific concerns.

Summary Determination

Hazardous substance discharges have occurred on the Property. The Department believes Atlantic Richfield Co., a BP Affiliated Co., (“BP”) caused the discharges, and therefore is responsible for the contamination under 292.11 Stats. BP is currently conducting a remedial action on the Property and adjacent properties. Given the site-specific circumstances at the Property, the Department has agreed to exercise its enforcement discretion at this site. If Guardian Pest Solutions, Inc. (“Guardian”) takes possession of the Property, the Department agrees not to require Guardian will to investigate or cleanup the known contamination at the Property if all of the following are satisfied:

- Guardian does not exacerbate the discharge.
- Guardian allows Department personnel and BP, its consultants and contractors access to the property to conduct necessary environmental monitoring and remedial action to fulfill its obligation under Wis. Stat. § 292 and Wis. Admin. Code § NR700-NR754.
- BP completes all actions necessary under Wis. Stat. § 292 Stats and Wis. Admin. Code § NR700-NR754 Wis. Adm. Code., within a reasonable period of time, and obtains case closure for the Property.
- Guardian prepares and implements a soil and groundwater management plan approved by the Department to address contaminated soil and groundwater if it is encountered during development of the property and any subsequent work on the property.

- Guardian, as the Property owner, complies with any conditions or obligations identified in the Department's case closure letter and state law.

Request

On March 23, 2015 American Engineering and Testing, Inc. (AET) requested on your behalf that the Department address the environmental liability that a purchaser of the Property may have related to any existing contamination at the Property. The Department received the \$700 fee for providing assistance on March 23, 2015, as required by Wis. Admin. Code § NR 749.04(1).

In order for the Department to make this determination the following documents were submitted for review:

- Technical Assistance and Environmental Liability Clarification Request Form (Form # 4400-237) and Cover Letter – Proposed Guardian Pest Control Property, submitted by American Engineering and Testing, Inc., dated March 18, 2015.
- Phase I Environmental Site Assessment, Former Amoco Tract, Superior, Wisconsin, March 2006, Twin Ports Testing, Inc.
- Phase I Environmental Site Assessment, Environmental Site Assessment, Proposed Guardian Pest Control Solutions, Inc. site, Winter Business Park Property, Superior, WI, dated April 11, 2014.
- Phase II Environmental Site Assessment, Proposed Guardian Pest Control Solutions, Inc. site, Halvor Lane, Superior, Wisconsin, dated March 2, 2015.

Summary of Environmental Conditions

Based on information available to the Department it appears the Property was historically a portion of the Amoco Oil Terminal ("Terminal"). Amoco operated the Terminal from approximately 1917 until 2000. The portion of the former Terminal where the Property is located appears to have been occupied by above ground storage tanks and associated piping. It is our understanding that Guardian is planning on purchasing the Property from Winter Business Park, LLC to build a new facility including offices, business operation, and fleet maintenance buildings.

Contamination from hazardous substance discharges on the Terminal property was reported to the Department on August 8, 1985. BP has conducted site investigation activities and remedial actions on the Terminal property since 1985. The Department tracks the Terminal as an open, Environmental Repair site. BP continues to take actions required under Wis. Stat. §292 and Wis. Admin. Code § NR 700-754 to address the contamination associated with the site.

Along with the March 23, 2015 Liability Clarification Request the Department received the Site Assessments referenced above. Analytical results from soil samples collected during the Phase II Environmental Site Assessment detected soil contamination at boring locations, B-05, GP-5 and B-07. The detected contamination is in the same general area of the property where contamination was found during previous environmental investigations conducted by BP.

Liability Clarification

This letter will clarify the Department's position on environmental liability associated with the Property in the following situations:

- Liability of a new purchaser of the Property; and
- Circumstances under which the Department would “reopen” cases that were previously “closed,” and require further investigation or cleanup
- Liability for contaminated soil and groundwater during Property development

Investigation and Remediation Liability

The known areas of contamination on the Property appear to be from operation of the former Amoco Oil Terminal. BP is currently taking action as the responsible party to address the hazardous substance discharges associated with the Terminal. However, you should be aware that the State’s hazardous substance spill law, Wis. Stat. § 292.11, imposes liability on anyone who possesses or controls contaminated property where hazardous substances were discharged to the environment. This liability exists even if another person, such as a prior owner or tenant caused the contamination.

Whenever possible, the Department requires the person who caused the hazardous substance discharge to take the appropriate response actions. However, if these persons cannot be located or are unable to conduct the required investigation and remedial action, the owner of the property is responsible for taking the appropriate actions. The Department will take the steps available to it through state law to compel the person that the Department believes to have caused the hazardous substance discharge on the property to take the response action necessary to protect human health and the environment. The Department would only require the person in current possession or control of the property to address that threat if the Department were unable to compel the person who caused the discharge to take the appropriate response action.

For this particular Property, the Department agrees to exercise its enforcement discretion, as long as BP, the responsible party, continues to respond to the environmental contamination on the Property in a timely and complete manner. If BP continues their progress towards finishing the soil and groundwater cleanup and obtaining case closure, the Department is not interested in seeking monetary contribution or action from a purchaser of the Property.

Liability after Cleanup Completion

The Department issues what is commonly referred to as a case closure letter once the site investigation and cleanup have been completed. It indicates that the Department has determined that no further environmental response action is necessary at the site, based upon the information available to the Department at that time. The Department can only require further action to address a previously closed case if certain criteria are met, including if information regarding the site or facility conditions indicates that contamination on or from the site or facility poses a threat to public health, safety, welfare or the environment, or if the property owner has not complied with the continuing obligations applied in the closure approval (s. NR 727.13, Wis. Adm. Code). Approximately 17,000 clean-up cases have been closed by the Department, but fewer than 50 have been reopened in the past 15 years.

Thus, before the Department can require further action to address residual contamination in existence at the time that the site (i.e., the area of contamination at the Property that was the subject of the closure letter) was closed, the Department must make a determination that information meets the reopening criteria and that further action is required. In this case, the Terminal case is not yet closed; however, it is anticipated that BP will complete the cleanup and qualify for closure letter in the future.

Property Development

The Department encourages redevelopment of property where a site investigation and remediation have been completed or are in the process of being remediated. However, any development of the Property must be conducted as to not exacerbate the hazardous substance discharge being remediated, interfere with an investigation and remediation and must also be protective of human health, public safety, welfare and the environment.

For this particular Property, the Department concurs with AET that the majority of the contamination found during its Phase I and Phase II Environmental Site Assessments as well as site investigation work conducted by BP was concentrated on the northern portion of the Property. However, based on historic operations in the area of the Property, the Phase II assessment and the previous site investigation work, contaminated soil could be encountered on the Property that was not identified during previous investigation conducted by BP or AET.

The Department received a Soil Management Plan for the Property ("Plan") on April 20th 2015. The Plan includes information on how soil will be monitored for contamination and subsequently reused on site or disposed as contaminated material. The Department approves the Plan. Any construction planning should also assess the risk of petroleum vapor migration into new construction on the property. Guardian must contact the Department and obtain specific approval if any dewatering is to be conducted during construction.

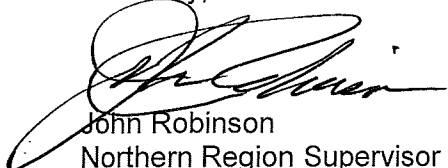
Conclusion

Please understand that this letter clarifies a new owner's liability related to residual contamination on the Property based only on the information presently available to the Department. The Department has made no determination concerning the presence or absence of hazardous substance discharges other than those identified in the reports provided. In the future, if the Department becomes aware of new information concerning the contamination referenced above, or the presence of other contaminants on the Property not previously identified, the Department will need to evaluate that data to determine if response actions may be required.

The Bureau for Remediation and Redevelopment Tracking System (BRRTS) identification number for this activity is shown at the top of this letter. The Department tracks information on all determinations such as this in a Department database, "BRRTS on the Web," that is available on the Internet at <http://dnr.wi.gov/topic/Brownfields/clean.html>.

The Department hopes that this letter helps clarify what known areas of contamination on the Property may require further environmental response action under Wisconsin law, and who is responsible for conducting these actions. If you have any questions please contact John Sager at (715) 392-7822, by writing to the address at the top of this letter, or by email at john.sager@wisconsin.gov.

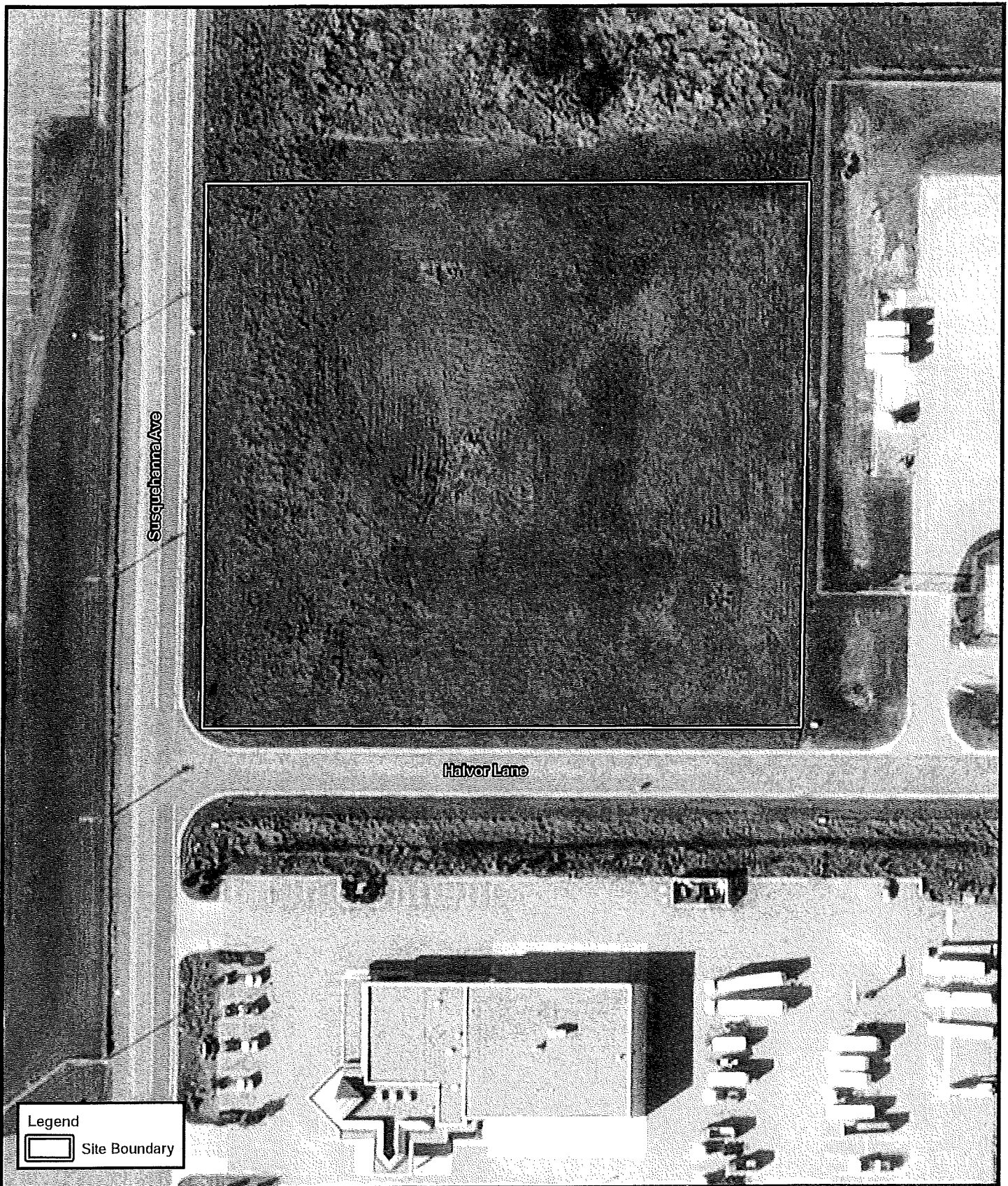
Sincerely,



John Robinson
Northern Region Supervisor
Remediation and Redevelopment Program

Attachment: Figure 2, Site Map, American Engineering and Testing, dated March 26, 2014

cc: John Sager, Superior
Robert Wahlastom, AET



Legend
 [White rectangle with black border] Site Boundary

Map Reference: Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

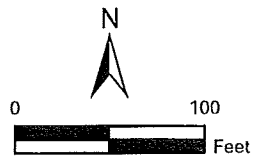


Figure 2
 Site Map
 Phase I Environmental Site Assessment

Guardian Pest Solutions, Inc.
 Superior, Wisconsin

Date: 03/26/2014 AET Project No. 03-05071

