State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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Matthew J. Frank, Secretary
Gloria L. McCutcheon, Regional Director

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June 23, 2010

Ryan Companies US, Inc.
Tony Barranco
50 South 10th St., Suite 300
Minneapolis, MN 55403-2012

FID # 268082650
BRRTS#: 02-68-550436, 02-68-550438
02-68-550439, 07-68-554891

Subject: Liability Clarification Letter for a Prospective Purchaser of Property located at Quebecor World, 12821 West Bluemound Rd, Brookfield, Wisconsin

Dear Mr. Barranco:

Purpose

The Department of Natural Resources ("the Department") has reviewed your request for a liability clarification letter in response to environmental contamination affecting Quebecor World, 12821 West Bluemound Rd, Brookfield ("the Property") in Waukesha County, Wisconsin. The purpose of this response is to provide you with a letter clarifying the environmental liability associated with contaminants detected at the Property and respond to your specific concerns.

Request

On May 6, 2010, you requested that the Department address the environmental liability that a purchaser of the Property may have related to any existing contamination. The letter is to contain a determination whether further response actions are needed under the ch. NR 700 rule series, Wis. Adm. Code, based on the discharge or presence of one or more hazardous substances at the Property. The Department received the fee for providing assistance, in accordance with s. NR 749.04(1), Wis. Adm. Code. You have asked the Department to clarify the liability for Ryan Companies US, Inc.("Ryan") as the potential purchaser of the Property, and which has not had any previous ownership of the Property nor caused any of the pre-existing contamination on the Property.

The following documents were also submitted to the Department with the request:

- The Technical Assistance and Environmental Liability Clarification Request form (Form 4400-237), dated April 30, 2010.
- "Phase 1 Environmental Site Assessment Report", June 2006, by RSV Engineering
- "Phase 2 Environmental Site Assessment Report", October 24, 2006, by RSV Engineering

Background and Summary of Environmental Conditions

The Quebecor World – Brookfield Division property (the "Property") is approximately 25.4 acres in size and located at the above address. The Property contains an approximate 215,700 square foot U-shaped building and is currently owned by Worldcolor Press, Inc. (formally known as Quebecor World Inc.). Since construction in 1957, the facility has been used for printing operations. Ryan has indicated to the DNR that they plan to purchase the Property.

Beginning in 1989, an investigation and remedial action was completed for three former USTs that were removed from service north of Building O. Soil and groundwater discharges occurred in the area. Soils were removed adjacent to the tank locations. CVOC compounds (1,1,1-trichloroethane and vinyl chloride) remain in the groundwater above the Wisconsin Enforcement Standard (ES). This area was finally closed in October 2005 with placement of the site on the GIS registry. The Department issues what is commonly referred to as a closure letter once site investigation and the cleanup is completed. This letter is issued under s. NR 726.05(7), Wis. Adm. Code. 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. In this case, if a water supply well is proposed on the Property, special casing restrictions would be required prior to installation. Closure was only granted for this area of the Property and not other areas of the Property.

In addition, based on the results of the Phase 2 ESA conducted in 2006, three areas of soil contamination were found on the Property (see Enclosure for map of these three areas). These were the Areas 3, 5 and 8 noted in the Phase 2 ESA. Discharge notifications were submitted to the Department for these 3 areas, and they are listed as "open" cases on the Bureau for Remediation and Redevelopment Tracking System (BRRTS). Generally, an open activity is one where additional investigation and/ or remedial action is required to insure that the hazardous substance discharge is addressed and actions are taken to restore the environment to the extent practicable and minimize the harmful effects from the discharge to the air, lands or waters of this state.

Limited chlorinated volatile organic compounds (CVOCs) are present in the soil in Area 3 (former hazardous materials storage area). The Area 3 BRRTS number is 02-68-550436. Areas 5 and 8 have been impacted by petroleum-based VOCs. The Areas 5 and 8 BRRTS numbers are 02-68-550438 and 02-68-550439 respectively. Area 5 is located adjacent to the former press locations in Building U. Area 8 is located outside the southeast corner of Building T, adjacent to a dock door. All three areas of soil contamination are small and impacted soil is shallow in depth. On March 2, 2010, RSV Engineering on behalf of Worldcolor submitted a report titled "February 2010 Groundwater Sampling Results Summary" which requested approval of previously submitted workplan letters dated January 16 and March 3, 2008. The Department project manager, Mark Drews, confirmed approval of the previously submitted workplans for remediation of the three areas on March 31, 2010. It is our understanding that the Ryan Company, as the new owner will demolish existing buildings and implement the approved workplans for the remediation by excavating the soils and disposing of them properly off-site after the existing buildings are removed.

Liability Determinations

The Wisconsin Hazardous Substance Discharge Law, s. 292.11, Wis. Stats., commonly called the Spill Law, requires those who cause, possess or control a hazardous substance discharge

to "take the actions necessary to restore the environment to the extent practicable and minimize the harmful effects from the discharge to the air, lands or waters of this state." This liability exists even if another person, such as a prior owner or tenant caused the contamination. Section 292.55, Wis. Stats., authorizes the Department to issue clarification letters concerning liability for environmental pollution.

The review of site reports and data summarized above indicates that one or more hazardous substance discharges have occurred on the Property. According to the information described above, Ryan has not had any previous ownership of the Property and Ryan has not caused any past discharges of hazardous substances on or emanating from the Property.

Based on the Department's determinations in this letter, you will not be held responsible under the State's Hazardous Substance Spill Law, s. 292.11, Wis. Stats., to investigate and clean up the hazardous substances on the Property since you do not own the Property at this time. However, when Ryan acquires title to the property, you could be held responsible for investigation and remedial actions necessary to respond to any hazardous substances discharged on the Property, even if you did not cause the discharges and did not own the Property when the discharges occurred. Whenever possible, the Department requires the person who caused the hazardous substance discharge to take the appropriate response actions. However, if these persons can not be located or are unable to pay, the current owner of the Property is responsible for taking the appropriate actions.

In this case, it is our understanding that Ryan intends to complete the remedial actions necessary at the Property. If Ryan completes the necessary investigation and remedial actions described in the letter titled "Meeting Summary and Work Plan Modifications" dated January 16, 2008 and the letter titled "2008 Groundwater Results" dated March 3, 2008 that was approved by the Department in a letter from Mark Drews dated March 10, 2010, the remedial action will be completed. While the DNR expects this remedial action should restore the environment to the extent practicable and minimize the harmful effects from the discharges and satisfy the Wisconsin closure regulations of ch. NR 726, Wis. Adm. Code, understand that the DNR can not determine whether any additional investigation and/ or remedial action is necessary until after the remedial action is complete and documentation has been submitted to the DNR to determine if the closure requirements have been met.

Please note that the Department has not conducted a technical review of the Phase I and Phase II ESA reports, and this Letter makes no statement on the adequacy of the ESA reports. This response letter relates only to those conditions described above, and makes no determination concerning the presence or absence of hazardous substances, other than those identified in the reports listed above. In the future, if the Department becomes aware of new information concerning the contaminants 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 BRRTS identification number for this activity is included at the top of this letter. The Department tracks information on all determinations such as this one in a database that is available on the Internet at. See "BRRTS on the web" under "Contaminated Land Databases".

It is the Department's hope that this letter has been helpful to you in clarifying the environmental liability under the State's Hazardous Substance Spill Law, associated with the contamination on the Property. If you have any questions or concerns regarding this letter, please contact Mark Drews directly at 262-574-2146 or by email at Mark.Drews@Wisconsin.gov.

Sincerely,

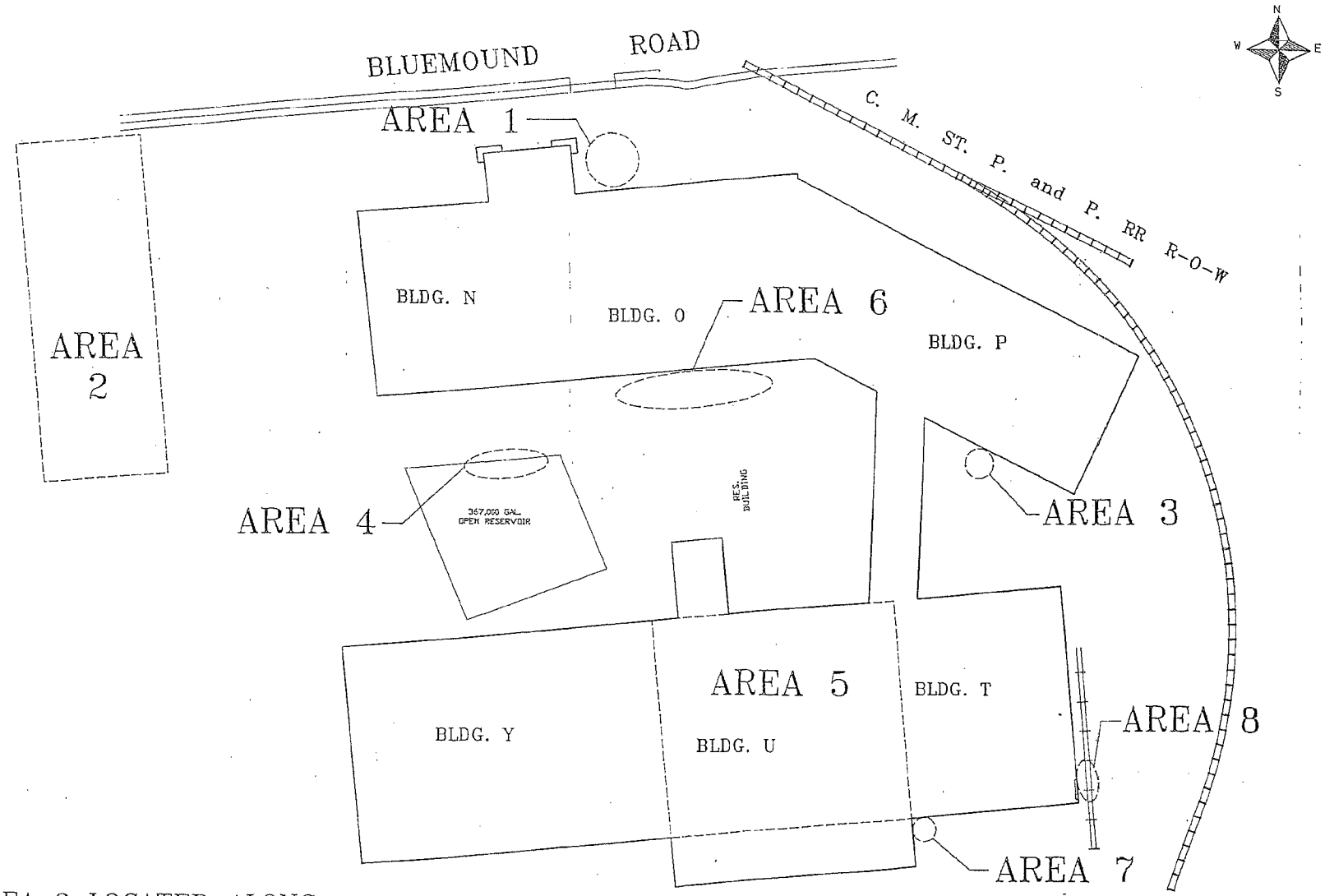
Frances Koonce (M.D.)

Frances Koonce
Subteam Supervisor
Southeast Region, Remediation and Redevelopment

Enclosure

cc: SER File
Margaret Brunette, SER HQ
Michael Prager RR/5

Received
JUN 28 2010
REMEDIATION &
REDEVELOPMENT



AREA 9 LOCATED ALONG SOUTH PROPERTY LINE (SEE FIGURE 11)

RSV ENGINEERING, INC.
MUKWONAGO, WISCONSIN
(262)363-2004

NO.	REVISIONS	BY	DATE

QUEBECOR WORLD – BROOKFIELD DIVISION
BROOKFIELD, WISCONSIN
SOIL BORING SITE OVERVIEW MAP

	INITIALS	DATE
DESIGNED	RJH	9/13/06
DRAWN	HMM	9/12/06
CHECKED	AAK	9/12/06

0 40'
SCALE

PROJECT NO. 06-772-3

FIGURE NO. 2

DATE: 9/18/2006 TIME: 1:13:37 PM FILE: $FIGL$