

**SPECIAL NOTICE LETTER
URGENT LEGAL MATTER – PROMPT REPLY NECESSARY
CERTIFIED MAIL: RETURN RECEIPT REQUESTED**

Re: Ellsworth Industrial Park Site
Downers Grove, Illinois

Dear Sir or Madam:

The United States Environmental Protection Agency (U.S. EPA) and certain potentially responsible parties (PRPs) have undertaken response actions at the Ellsworth Industrial Park Site in Downers Grove, Illinois (the Site) pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* (CERCLA). These actions included extensive sampling in and around the Site to document the release or threatened release of hazardous substances, pollutants, and contaminants at the Site. These actions have also included funding for hooking up to a public water supply certain residents in areas potentially affected by releases of Site-related hazardous substances into groundwater.

Further Response Actions

Based on the sampling results in and around the Site, U.S. EPA has determined that a Remedial Investigation/Feasibility Study (RI/FS) is now necessary for properties in the Ellsworth Industrial Park. An RI will identify site characteristics and define the nature and extent of soil, air, surface water and groundwater contamination in the Ellsworth Industrial Park and the risks posed by that contamination. An FS will evaluate different cleanup options for the contamination.

Unless U.S. EPA determines that PRPs will voluntarily undertake or fund the RI/FS necessary at the Site, U.S. EPA may, under Section 104 of CERCLA, undertake the RI/FS itself and,

under Section 107 of CERCLA, seek reimbursement from PRPs of all costs incurred in connection with the actions taken. Such costs may include, but are not limited to, expenditures for investigation, planning, response and enforcement activities. Moreover, under Section 106 of CERCLA, U.S. EPA may order PRPs to implement response actions deemed necessary by U.S. EPA to protect the public health, welfare or environment from an imminent and substantial endangerment because of an actual or threatened release of a hazardous substance from a Facility.

PRP Determination

PRPs under Section 107 of CERCLA include current owners and operators at the Site and former owners and operators at the Site at the time of disposal of hazardous substances, as well as persons who owned or possessed hazardous substances and arranged for disposal, treatment, or transportation of such hazardous substances and persons who accepted hazardous substances for transportation for disposal or treatment to a facility selected by such transporter. Based on an extensive review of records related to the release and/or disposal of hazardous substances at the Site, U.S. EPA has identified you as one of several PRPs with respect to the Site. A general description of the sources of information regarding PRPs at the Site is provided as Enclosure A to this letter. A listing of the PRPs for the Site is provided as Enclosure B to this letter. By this letter, U.S. EPA notifies you of your potential liability with regard to this matter and encourages you, as a PRP, to voluntarily perform or finance the RI/FS and any other response activities that the U.S. EPA has determined or will determine are required at the Site.

Special Notice and Negotiation

Pursuant to Section 122(e)(1) of CERCLA, U.S. EPA has determined that a period of negotiation may facilitate an agreement between the PRPs and U.S. EPA for implementation or financing of an RI/FS for the Industrial Park portion of the Site. Accordingly, U.S. EPA is contacting PRPs identified for the Site to resolve their liability with respect to the RI/FS. To assist you in negotiating with U.S. EPA concerning this matter, attached to this letter is a list of the names and addresses of other PRPs to whom this notification is being sent. It should be noted that inclusion on or exclusion from this list does not constitute a final determination by U.S. EPA concerning the liability of any party for remediation of the Site or for payment of U.S. EPA's response costs.

Upon your receipt of this Special Notice, you will have a maximum of 60 days to coordinate with any PRPs and to present to U.S. EPA a "good faith offer" to conduct and/or finance the remedial action to negotiate the terms of a administrative order on consent. In accordance with the requirements of Section 122(e)(2), during this 60-day moratorium, U.S. EPA will not commence remedial action at the Site. U.S. EPA may, however, take action at the Site at any time should a significant threat to human health or the environment arise.

Good Faith Offer

During the 60-day moratorium period, you and the other PRPs are invited to participate in negotiations with U.S. EPA in an effort to reach a settlement to conduct or finance the RI/FS. The 60-day negotiation period will be extended for up to an additional 30 days if PRPs provide U.S. EPA with a “good faith offer” to conduct or finance the RI/FS. The purpose of this additional time is to allow the PRPs and U.S. EPA a period of time to finalize the settlement, which would be embodied in an administrative order on consent (AOC).

A "good faith offer" as referenced above shall include the following:

- * a statement of the PRPs' willingness to conduct or finance an RI/FS which is consistent with the proposed AOC and Statement of Work (SOW) and which provides a sufficient basis for further negotiations in light of U.S. EPA's SOW;
- * a detailed response to, and detailed comments, if any, on the attached proposed AOC and SOW. If the offer contemplates modifications to the AOC or SOW, it should make revisions or edits to the enclosed drafts and submit them to U.S. EPA, clearly identifying any such modifications. The response should provide explanations for any major revisions to the attached proposals;
- * a demonstration of the PRPs' technical capability to undertake the RI/FS. This includes identifying the firm expected to conduct the work, or identifying the process the PRPs will undertake to select a firm;
- * a demonstration of the PRPs' capability to finance the RI/FS;
- * a statement concerning the PRPs' willingness to reimburse U.S. EPA for past response and oversight costs; and
- * the name, address, and phone number of the party or steering committee who will represent the PRPs in negotiations.

If U.S. EPA determines that your proposal is not a “good faith offer,” you will be notified in writing of U.S. EPA’s decision to end the moratorium. If a "good faith offer" is not received within the initial 60-day moratorium, or if a timely settlement cannot be reached, U.S. EPA, pursuant to Section 122(e)(4), may proceed to immediately undertake such further action as is authorized by law, including funding the RI/FS and pursuing a cost recovery claim against the PRPs and/or issuing a Unilateral Administrative Order requiring PRPs to perform the RI/FS.

PRP List

As stated above, the attached list of the names and addresses of any other PRPs to whom this notification is being sent is provided to assist you in contacting other PRPs in this matter and to negotiate with U.S. EPA. This list is appended as Enclosure B to this letter. Information regarding a ranking by volume and nature of substances contributed by each PRP, as contemplated by Section 122(e)(4)(A), is not available at this time.

U.S. EPA recommends that all PRPs form a steering committee responsible for representing the group's interests. A steering committee was formed among the PRPs who previously received a special notice letter from U.S. EPA for the Site and agreed to fund drinking water hookups under an Order with U.S. EPA. The PRP Group contacts under that Order are Bruce White of Karaganis, White & Magel, 414 North Orleans Street - Suite 810, Chicago, Illinois 60610 and Brett Heinrich of Meckler, Bulger & Tilson, 123 North Wacker Drive - Suite 1800, Chicago, Illinois 60606.

U.S. EPA recognizes that the allocation of responsibility among the PRPs may be difficult. If the PRPs are unable to reach a consensus among themselves, U.S. EPA encourages the use of a neutral third party to help allocate responsibility and facilitate negotiations among the PRPs. At the PRPs' request, U.S. EPA may help arrange for a third party neutral to assist the parties.

Initial Conference

To further facilitate your and any other PRPs' ability to present a "good faith offer" within the 60-day time limit, an initial settlement conference will be held on January 12, 2005, in the Lake Superior room, 12th floor, 77 West Jackson Boulevard, Chicago, Illinois at 1:30 p.m. An agenda indicating the topics for discussion is appended as Enclosure C. A draft AOC and a SOW are enclosed as Enclosures D and E, respectively.

90 Day Deadline

Except in extraordinary circumstances explained in a written request, no extension to the second 30 day moratorium period will be granted by U.S. EPA. As stated above, if no agreement can be reached, pursuant to Section 122(e)(4), U.S. EPA may immediately proceed to undertake such further action as authorized by law to conduct or require an RI/FS at the Site.

U.S. EPA Notification

As a PRP, you should notify U.S. EPA in writing within 10 days of receipt of this letter of your willingness to participate in negotiations to perform or finance the activities described above. If U.S. EPA does not receive a timely response, U.S. EPA will assume that you do not wish to negotiate a resolution of your potential responsibility in connection with the Site and that you have declined any involvement in performing the response activities.

The response to this special notice letter should indicate the appropriate names, addresses, telephone numbers, fax numbers, and e-mail addresses for further contact with you. The response letter should be sent to:

Ross delRosario, RPM
Remedial Response Section #5
U.S. Environmental Protection Agency
77 W. Jackson Blvd. (SR-6J)
Chicago, Illinois 60604-3590

-or-

Thomas Krueger, Associate Regional Counsel
U.S. Environmental Protection Agency
77 W. Jackson Blvd. (C-14J)
Chicago, Illinois 60604-3590

The factual and legal discussions in this letter are intended solely to provide notice and information, and such discussions are not to be construed as a final U.S. EPA position on any matter set forth herein. Due to the seriousness of the environmental and legal problems posed by conditions at the Site, U.S. EPA urges that you give immediate attention, and provide a prompt response, to this letter.

Administrative Record

In accordance with Section 113 of CERCLA, 42 U.S.C. § 9613, U.S. EPA has established an Administrative Record containing the documents that serve as the basis for U.S. EPA's determination that an RI/FS is necessary for the Ellsworth Industrial Park. This Administrative Record is located at the Downers Grove Public Library, 1050 Curtiss Street, Downers Grove, Illinois and is available to the public for inspection and comment. The Administrative Record is also available, by appointment, for inspection and comment at the Superfund Records Center, U.S. EPA Region 5, 77 West Jackson Boulevard, 7th floor, Chicago, Illinois. You may wish to review the Administrative Record to assist you in responding to this letter, but your review should not delay such response beyond the 60-day period provided by CERCLA.

Natural Resource Trustee Notification

By a copy of this letter, U.S. EPA is notifying the State of Illinois and the Natural Resources Trustees, in accordance with Section 122(j) of CERCLA, of its intent to enter into negotiations concerning the conduct of an RI/FS at the Site.

Resources and Information for Small Businesses

As you may be aware, on January 11, 2002, President Bush signed into law the Superfund Small Business Liability Relief and Brownfields Revitalization Act. This Act contains several exemptions and defenses to CERCLA liability, which we suggest that all parties evaluate. You may obtain a copy of the law via the Internet at <http://www.epa.gov/swerosps/bf/sblbra.htm> and review EPA guidances regarding these exemptions at <http://www.epa.gov/compliance/resources/policies/cleanup/superfund>.

U.S. EPA has created a number of helpful resources for small businesses. U.S. EPA has established the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers which offer various forms of resources to small businesses. You may inquire about these resources at <http://www.epa.gov>. In addition, the U.S. EPA Small Business Ombudsman may be contacted at <http://www.epa.gov/sbo>. Finally, U.S. EPA developed a fact sheet about the Small Business Regulatory Enforcement Fairness Act (“SBREFA”), which is available on request.

Further Information

If you need further information regarding this letter, you may contact Mr. delRosario, the Remedial Project Manager at (312) 886-6195. If you have an attorney handling your legal matters, please direct his or her questions to Mr. Krueger at (312) 886-0562.

We hope that you will give this matter your immediate attention.

Sincerely,

Wendy L. Carney, Chief
Remedial Response Branch #1

Enclosures

- A. Site Activities and Information
- B. PRP Service List
- C. Negotiation Meeting Discussion Items
- D. AOC
- E. SOW
- F. SBREFA Fact Sheet

cc: Fred Nika, Illinois EPA
Renee Cipriano, Illinois EPA
Karen Yates, Illinois EPA
Beth Wallace, Office of Illinois Attorney General
Joel Brunsvold, Illinois DNR
Michael T. Chezik, Natural Resources Damages Trustee

bcc: Office of Enforcement and Compliance Monitoring
Tom Krueger (ORC)
Ross delRosario (RPM)
OWPE

ENCLOSURE A

SITE ACTIVITIES AND INFORMATION

1. The Ellsworth Industrial Park Site located in Downers Grove, Illinois, encompasses an area in which groundwater is contaminated with chlorinated solvents. The Site is a mix of residential, recreational, and commercial/light industry properties. It is bounded by Burlington Avenue to the north, 63rd Street to the south, Lee and Springside Avenues to the east, and Interstate 355 (I-355) to the west.
2. The U.S. EPA has evaluated a large body of information and evidence in connection with its investigation of the Site. Based on these investigations, the U.S. EPA has information indicating that you are a PRP with respect to this Site. Specifically, the U.S. EPA has reason to believe that you are the owner/operator of a portion of the facility, or a former owner/operator of the facility at the time of disposal of hazardous substances at the facility.
3. The U.S. EPA and Illinois EPA have conducted and arranged for sampling and studies at the Site, including the Phase I and Phase II Site Assessments and Data Evaluation Summary Report prepared by Weston Solutions, Inc.
4. Response costs associated with the Site have been incurred by the U.S. EPA. The total U.S. EPA cost incurred for the above referenced studies and other response activities related to the Site is currently being determined.

ENCLOSURE B

POTENTIALLY RESPONSIBLE PARTIES

Ames Supply Company
2537 Curtiss Street
Downers Grove, Illinois 60515
fax: (630) 964-0497

Ames Supply Company
c/o Alan P. Bielawski
Sidley Austin Brown & Wood
Bank One Plaza
10 South Dearborn Street
Chicago, Illinois 60603
fax: (312) 853-7036

Arrow Gear
James E. Pielsticker, Exec. Vice President
2301 Curtiss Street
Downers Grove, Illinois 60515-4036
fax: (630) 969-0253

Arrow Gear
c/o Carey S. Rosemarin
707 Skokie Blvd., Suite 505
Northbrook, Illinois 60062-2857
fax: (312) 896-5786

Bison Gear & Engineering Co.
3850 Ohio Avenue
St. Charles, Illinois 60174
fax: (630) 377-6777

Bison Gear & Engineering Co.
c/o Joseph A. Strubbe
Vedder, Price, Kaufman & Kammholz
222 N. LaSalle Street
Chicago, Illinois 60601
fax: (312) 609-5005

Chase Belmont Properties
5103 Chase
Downers Grove, Illinois 60515-4012

Chase Belmont Properties
c/o Jeffrey D. Jeep
The Jeff Diver Group, LLC
1749 South Naperville Road
Suite 102
Wheaton, Illinois 60187
fax: (630) 690-2812

Dynagear, Inc.
2500 Curtiss Street
Downers Grove, Illinois 60515

Dynagear, Inc.
c/o David N. Missner
Piper Rudnick, LLP
203 N. LaSalle Street
Suite 1900
Chicago, Illinois 60601-1293
fax: (312) 630-7399

Fusibond Piping Systems
2615 Curtiss Street
Downers Grove, Illinois 60515
fax: (630) 969-2355

Fusibond Piping Systems
c/o Brett D. Heinrich
Meckler, Bulger & Tilson
123 North Wacker Drive - Suite 1800
Chicago, Illinois 60606
fax: (312) 474-7898

Global Gear & Machining, LLC
2500 Curtiss Street
Downers Grove, Illinois 60515
fax: (630) 969-1736

Global Gear & Manufacturing, LLC
c/o Michael J. Hughes
Neal, Gerber & Eisenberg
2 North LaSalle Street
Chicago, Illinois 60602-3801
fax: (312) 269-1747

William Helwig
9S456 Millbrook Drive
Downers Grove, IL 60516-5040

William Helwig
c/o Paul E. Lubanski
Bischoff Partners
217 N. Jefferson, Suite 600
Chicago, Illinois 60661
fax: (312) 466-1186

Katrine Family Limited Partnership
c/o Lindy Manufacturing Company
David A. Collins, President
6 South 167 Canterbury Court
Naperville, Illinois 60540
fax: (630) 963-5308

Lindy Manufacturing Company
David A. Collins, President
6 South 167 Canterbury Court
Naperville, Illinois 60540
fax: (630) 963-5308

Lindy Manufacturing Company
c/o Linda P. Kurtos
Eimer Stahl Klevorn & Solberg
122 S. Michigan Avenue, Suite 1776
Chicago, Illinois 60603
fax: (312) 692-1718

Lovejoy, Inc.
2655 Wisconsin Avenue
Downers Grove, Illinois 60515
fax: (630) 852-2120

Lovejoy, Inc.
c/o Nancy J. Rich
Katten Muchin Zavis Rosenman
525 West Monroe Street
Suite 1600
Chicago, Illinois 60661-3693
fax: (312) 902-1061

Magnetrol International, Inc.
5300 Belmont Road
Downers Grove, Illinois 60515
fax: (630) 969-9489

Magnetrol International, Inc.
c/o Michael J. Maher
Swanson, Martin & Bell
One IBM Plaza - Suite 2900
330 North Wabash
Chicago, Illinois 60611
fax: (312) 321-0990

Dana Morey, Vice President
100 Morey Drive
Woodridge, Illinois 60517
fax: (630) 754-2001

The Morey Corporation
c/o Gary S. Rovner
Foley & Lardner
321 North Clark
Suite 2800
Chicago, Illinois 60610
fax: (312) 832-4700

Precision Brand Products, Inc.
2250 Curtiss Street
Downers Grove, Illinois 60515
fax: (630) 969-0310

Precision Brand Products, Inc.
c/o A. Bruce White
Karaganis, White & Magel
414 North Orleans Street - Suite 810
Chicago, Illinois 60610
fax: (312) 836-9083

Principal Manufacturing Corporation
Paul A. Barnett, President
2800 S. 19th Avenue
Broadview, Illinois 60153
fax: (708) 865-7632

Principal Manufacturing Corporation
c/o Lawrence H. Brenman
Much Shelist Freed Denenberg Ament & Rubenstein
191 North Wacker Drive
Suite 1800
Chicago, Illinois 60606
fax: (312) 521-2571

Rexnord Corporation
2400 Curtiss Street
Downers Grove, Illinois 60515
fax: (630) 969-8827

Rexnord Corporation
c/o Todd R. Weiner
McDermoot, Will & Emery
227 West Monroe Street
Chicago, Illinois 60606-5096
fax: (312) 984-2098

RHI Holdings, Inc.
1750 Tyson's Boulevard, Suite 1400
McLean, Virginia 22101

RHI Holdings, Inc.
c/o Peter V. Baugher
Schopf & Weiss
312 West Randolph Street, Suite 300
Chicago, Illinois 60606-1721
fax: (312) 701-9335

Scot Incorporated
Randy Slaboch, Director of Operations
2525 Curtiss Street
Downers Grove, Illinois 60615
fax: (630) 969-4719

Scot Incorporated
c/o Edward V. Walsh, III
Sachnoff & Weaver
30 South Wacker Drive
29th Floor
Chicago, Illinois 60606-7484
fax: (312) 207-6400

Tricon Industries, Inc.
Randolph Grandle, President
1600 Eisenhower Lane, #200
Lisle, Illinois 60532
fax: (630) 963-0597

Tricon Industries, Inc.
c/o Carol A. Douglas
Ungaretti & Harris
3500 Three Bank One Plaza
Chicago, Illinois 60602
fax: (312) 977-4405

White Lake Building Corp.
2537 Curtiss Street
Downers Grove, Illinois 60515
fax: (630) 964-0497

c/o John W. Loseman
Lewis, Overbeck & Furman
135 S. LaSalle Street
Suite 2300
Chicago, Illinois 60603
fax: (312) 580-1200

Wisconsin Avenue Property LLC
527 North Sheridan Road
Waukegan, Illinois 60085

Wisconsin Avenue Property LLC
c/o Johnine J. Brown
836 West Ancona Street
Chicago, Illinois 60622
fax: (312) 829-0758

Wisconsin Avenue Property LLC
c/o Michael Caron
Bloch, Caron & Lyon
790 Estate Drive, # 180
Deerfield, Illinois 60015
fax: (847) 945-8812

NEGOTIATION MEETING DISCUSSION ITEMS

January 12, 2005
Lake Superior, 12th floor
77 West Jackson Boulevard
Chicago, Illinois
1:30 p.m.

Topics for discussion:

- *Background Information on the Site
- *Response Activities to Date
- *Liability of Responsible Parties Under CERCLA
- *Explanation of Expected PRP Response Activities
- *Structure of Consent Order Negotiations
- *Allocation/ADR issues

ENCLOSURE D

Order on Consent

ENCLOSURE E

Scope of Work

