

McGuireWoods LLP
One James Center
901 East Cary Street
Richmond, VA 23219-4030
Phone: 804.775.1000
Fax: 804.775.1061
www.mcguirewoods.com

James A. Thornhill
Direct: 804.775.1163

McGUIREWOODS

CON 12-15
Doc # 10702

jthornhill@mcguirewoods.com
Direct Fax: 804.698.2191

December 6, 2006

FEDERAL EXPRESS

Mr. Lambert Nnadi
Iowa Department of Natural Resources
Wallace State Office Building
Des Moines, IA 50319

1200 Warrington Road
Sioux City, Iowa

Dear Mr. Nnadi:

Our client, John Morrell & Co., has purchased an approximately 1.6 acre triangular parcel of land in Sioux City, Iowa. Gravel driveways utilized by vehicles to access the adjoining Curly's Foods (formerly Cloverleaf Cold Storage) facility to the northeast are located on three sides of the site. Additional details are found in the "Environmental Site Assessment" prepared by Commonwealth Environmental Associates, Inc. ("CEA") dated June 14, 2006 (the "Phase I"), a copy of which is enclosed.

The Phase I indicates that the levels of arsenic and PAH's were detected exceeding Iowa Department of Natural Resources ("IDNR") Land Recycling Program ("LRP") standards on the adjoining Curly's site. A No Further Action Certificate was issued for the adjoining Curly's site earlier this year.

Due to the elevated PAH and arsenic levels on the Curly's site, CEA completed five soil borings on the site and converted three of the borings to ground water monitoring wells. Soil samples were collected from the five borings from depths of 2.0 to 4.0 feet and 7.0 to 9.0 feet. Arsenic was detected in all ten borings ranging from 4.0 mg/kg to 12.7 mg/kg. While this is above the 1.9 mg/kg statewide standard, the levels are below the background level established for the former Cloverleaf Cold Storage site LRP matter of 26.70 mg/kg. (See Section 4.2 on page 7 of the "Land Recycling Program Site Assessment" report dated August 2004 for the former Cloverleaf Cold Storage site (the "Cloverleaf Report"), a copy of the text of which is enclosed.)

Several low level PAH's were detected in the soil samples, but only benzo(a)pyrene exceeded statewide levels in two of the ten samples. Benzo(a)pyrene was detected above the .31 mg/kg standard at .664 mg/kg and 1.04 mg/kg, respectively. The levels are below the background level used in the Cloverleaf Cold Storage LRP matter as noted in Section 4.2 of the Cloverleaf Report. Ground water sampling did not reveal the detectable presence of PAHs or

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December 6, 2006

Page 2

EPH. A copy of the "Phase II Environmental Site Assessment" prepared by CEA dated September 29, 2006 is enclosed.

I spoke to Matt Culp in August of 2006 concerning the results, but Mr. Culp did not have the benefit of the reports. As the levels of contaminants appear to be below background levels, John Morrell & Co. has decided not to enroll the site in the LRP at this time. Mr. Culp suggested that if John Morrell & Co. desires a comfort letter based upon the reports, that I should contact you. We would appreciate IDNR reviewing the enclosed reports and issuing a comfort letter or contacting me if it cannot be provided for some reason.

We appreciate your assistance in this matter. Please contact me with any questions.

Sincerely,

A handwritten signature in cursive script, reading "James A. Thornhill". The signature is written in dark ink and is positioned above the printed name.

James A. Thornhill

JAT/mpl
Enclosure

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