



Southern Region

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May 16, 2018

Justin M. Nickels
Mayor
City of Manitowoc
900 Quay Street
Manitowoc, Wisconsin 54220

Mr. Nickels:

The purpose of this Letter of Intent is to outline the terms upon which the City of Manitowoc, Wisconsin, or their nominee ("Purchaser") is prepared to acquire from Wisconsin Central Ltd. ("Seller") approximately 20.84 acres of Seller's property generally located at N 10th Street and approximately 3.698 acres of Seller's property generally located at Revere Drive and Spring Street in Manitowoc, Manitowoc County, Wisconsin:

1. **PROPERTY** - Approximately 20.84 acres of land, as shown as Parcel B on Exhibit A, and approximately 3.698 acres of land, as shown as Parcel A on Exhibit A, in Manitowoc, Manitowoc County, Wisconsin, as shown on Exhibit A, attached hereto and made a part hereof (collectively, the "Property").
2. **PRICE** - The purchase price of the Property shall be \$800,000.00 (the "Purchase Price").
3. **CLOSING** - The closing on the purchase of the Property shall occur on a mutually acceptable date, with both parties using their best efforts to close the transaction within thirty (30) days after completion of the due diligence period, on or about November 15, 2018. It is the parties' intent to undertake all reasonable efforts to close the proposed transaction during calendar year 2018, however, Purchaser shall have the ability to extend the closing and all corresponding open contingencies for a period of one hundred and twenty (120) days provided Purchaser is able to reasonably demonstrate to Seller that Purchaser is actively pursuing satisfaction of all open contingencies at the time of such extension.
4. **TITLE INSURANCE AND SURVEY** - Seller shall, at Seller's expense, obtain and deliver to Purchaser a title commitment from a title insurance company licensed in the State of Wisconsin. Seller shall, at Seller's expense, obtain and deliver to

Purchaser a current plat of survey prepared by a Wisconsin Licensed Land Surveyor mutually acceptable to Purchaser and Seller in accordance with ALTA/NSPS survey standards, including ALTA/NSPS "Table A" items 1, 2, 3, 4, 7(a), 8, and 11. If Purchaser terminates the Contract, Purchaser will be responsible for Survey expenses incurred, up to Five Thousand Dollars (\$5,000.00).

5. **PRE-CLOSING DELIVERIES** - Within ten (10) business days following the execution and delivery of a mutually agreed upon purchase and sale agreement (the "Contract"), as defined in this Section 5, Seller shall deliver to Purchaser the following:
- (a) Environmental studies and reports in the possession of Seller, pursuant to the terms of the attached Rider to the Letter of Intent;
 - (b) All contracts, leases, permits and licenses known to Seller affecting the Property.

Within forty-five (45) days after the execution and delivery of the Contract, Seller shall deliver to Purchaser the following:

- (a) A preliminary title commitment issued by Chicago Title Insurance Company;
 - (b) A draft survey referred to in Paragraph 4;
6. **EARNEST MONEY DEPOSIT** of Five Thousand Dollars (\$5,000.00) shall be delivered to Seller within ten (10) business days after the delivery of the definitive purchase and sale Contract. The Deposit shall be applied against the purchase price at Closing. If Purchaser terminates the Contract, Seller will pay Purchaser's portion of Survey expenses incurred, up to Five Thousand Dollars (\$5,000.00) from the Deposit and may retain the remainder of the Deposit as liquidated damages and just compensation, and not as a penalty or forfeiture, and declare the Contract terminated.
7. **DUE DILIGENCE** - Purchaser's obligation to close on the purchase will be subject to Purchaser satisfying itself as to whether the real estate is suitable for the Purchaser's intended use and the condition of the real estate which shall be subject to the Purchaser's sole and subjective judgment during a due diligence period extending from the date of execution and delivery of the Contract through the closing (the "Due Diligence Period"). Purchaser shall undertake all reasonable measures to promptly undertake the completion of Purchaser's due diligence, including without limitation expediting Purchaser's third party consultants. Purchaser shall indemnify and hold Seller's lessees, licensees, invitees and agents harmless from any claims or cause of action for bodily injuries (up to and including death), and any damage, claim or cause of action concerning personal property that is related to or arising, in whole or in part, out of Purchaser's due diligence activities. Seller may also require Purchaser to procure and maintain, or cause its due diligence contractor to procure and maintain, in effect at all times a Commercial General Liability insurance policy

insuring Seller against any and all liability, damages, costs and expenses resulting from or arising in connection with bodily injury (including death) to any person and/or loss, damage or destruction of any property resulting from, growing out of or incidental to the presence or activities of an employee, officer, agent, contractor, subcontractor, licensee or invitee of Purchaser or Purchaser's contractor on the Property. During the Due Diligence Period, Purchaser shall have the right to do all or any of the following:

- (a) Physically inspect and test the Property, including performance of any engineering tests, soil tests, or environmental studies; and
 - (b) Review and verify all licenses, permits, governmental approvals, leases, contracts, operating agreements, license agreements affecting the Property; and
 - (c) Review such other information with respect to the Property as Purchaser deems necessary to verify to its satisfaction that the Property, in Purchaser's sole discretion, is suitable for purchase and Purchaser's intended use.
8. **CLOSING COSTS** - Costs shall be paid as agreed by the parties hereto except, in all events: (i) the costs of Purchaser's due diligence shall be paid by Purchaser; (ii) all transfer fees shall be paid by Seller; (iii) the costs of obtaining the owners title insurance policy and endorsements thereto relating to permitted exceptions, (exclusive of other endorsements which may be required by Purchaser and which will be the sole cost of Purchaser) shall be paid by Seller; (iv) survey expenses shall be paid as specified in Section 4; (v) recording fees shall be paid by Purchaser; (vi) any State, County, and local assessments or real estate taxes due, including a prorated share of the applicable year's real estate taxes; and title company closing and escrow fees shall be paid by Seller; and (vii) Purchaser will apply for any lot splits or tax divisions with the appropriate local authorities at Purchaser's cost and expense.
9. **BROKERS** - Purchaser and Seller acknowledge that there is no real estate broker involved in this transaction. The contract shall contain representations and cross indemnifications by and between Purchaser and Seller with respect to any claims for Brokers' commissions.
10. **CONTRACT** - Purchaser and Seller shall enter into a contract for purchase mutually acceptable to Purchaser and Seller within thirty (30) days following the acceptance of this Letter of Intent by Purchaser and Seller. The contract shall include terms of the Addendum to Real Estate Sale Contract, attached hereto and made a part hereof.
11. **INTENT** - The agreement of Purchaser and Seller is set forth solely in this Letter of Intent and does not constitute an option, agreement, or offer to sell or purchase or obligation to enter into a contract to sell or purchase, the Property by either

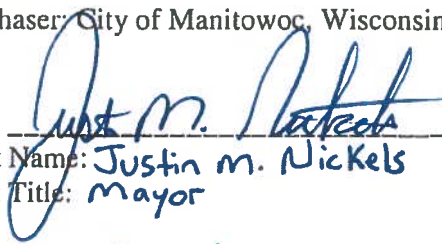
Seller or Purchaser, or to enter into any other type of agreement, the purpose of this letter being merely to set forth the specific intentions set forth herein.

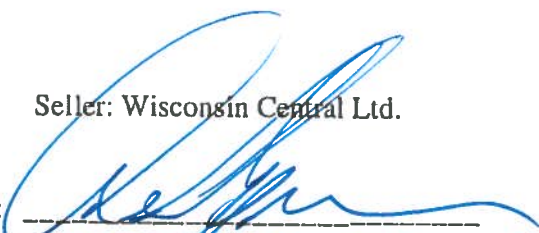
12. **EXCLUSIVITY** - Upon execution of the Letter of Intent, Seller shall not solicit or accept any offers, nor engage in any discussion concerning the sale of the property other than the transaction contemplated by the letter until such time as Seller reasonably concludes that a mutually satisfactory Purchase Contract is not achievable, but, in any event, not sooner than ninety (90) days from the acceptance of this Letter of Intent.

Acknowledged and Accepted:

Purchaser: City of Manitowoc, Wisconsin

Seller: Wisconsin Central Ltd.

By: 
Print Name: Justin M. Nickels
Print Title: Mayor

By: 
Arthur L. Spiros
Senior Manager, Business Development
& Real Estate – Southern Region



Date: 5/16/18

Date: May 18, 2018

EXHIBIT 'A'



3

DESCRIPTION:		PROPERTY SKETCH		SUBDIVISION:	
Manitowoc		 Subject Lands/Terrain Sujet		Manitowoc (449)	
State of Wisconsin				SPUR / ANTENNE:	
United States of America				Car Ferry Spur (035)	
2355/WIPR/100406 (20.84 Acs. +/-)		MILEAGE / MILLIAIRE:			
2355/WIPR/100408 (2.38 Acs. +/-)		H.B 43.2 (43.2 - 44.18)			
2355/WIPR/101271 (1.32 Acs. +/-)		DATE:			
TOTAL (24.54 Acs. +/-)		May 10, 2017			
THIS IS NOT A PLAN OF SURVEY / CECI N'EST PAS UN PLAN D'ARPENTAGE		SCALE / ÉCHELLE:			
		1:7000			

RIDER TO LETTER OF INTENT

Seller may provide Purchaser with copies of site assessment reports and other documents relating to environmental conditions at the sale parcel (hereinafter "Environmental Reports").

Purchaser acknowledges that the Environmental Reports are being disseminated by Seller solely on the basis that they are given to, and accepted by, Purchaser at Purchaser's sole risk. Seller makes no representations, either expressed or implied, with respect to the Environmental Reports or their contents. Seller assumes no liability to anyone for special, collateral, exemplary, indirect, incidental, consequential or any other kind of damage resulting from the use or application of the Environmental Reports or their contents. Any attempt to rely on the information contained in the Environmental Reports is made at Purchaser's own risk.

Purchaser hereby waives any and all rights, claims and causes of action which Purchaser may now or in the future have against Seller and covenants not to sue Seller, its employees and agents, for liabilities, losses, damages (including consequential damages), costs and expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, which arise from, grow out of, or relate directly or indirectly to Purchaser's use, application or reliance upon the information or representations set forth in the Environmental Reports.

Purchaser shall treat the Environmental Reports and any information contained therein as confidential and shall never publish, divulge or disclose the Environmental Reports or information to any third party (except disclosures may be made to Purchaser's legal, financial and environmental advisors and consultants provided such advisors and consultants are bound by the confidentiality obligations herein) without Seller's written consent, unless pursuant to Wisconsin's open records law or as otherwise may be required by law. Purchaser agrees to indemnify and hold Seller harmless from and against any and all liabilities, losses, claims, demands, damages, costs and expenses suffered or incurred by Seller as a result of the disclosure of any confidential information by Purchaser in violation of this paragraph, including, but not limited to, costs that may be incurred by Seller in complying with cleanup orders or directives issued pursuant to the Spills Law, Wisc. Stats. 292, et seq.

ADDENDUM TO REAL ESTATE SALE CONTRACT

(A) "As Is" Purchase.

(i) Seller makes no covenant, representation, or warranty as to the suitability of the Premises for any purpose whatsoever or as to the physical condition of the Premises. Buyer, for itself, its affiliates, successors, assigns and subsequent owners of the Premises from time to time ("Buyer Parties") acknowledges that portions of Premises, or adjacent or neighboring lands, were or may have been used by present or prior owners or operators for railroad locomotive repair and fueling purposes and storage of petroleum products, and that wastes, substances, and materials of unknown type, nature, and origin, some of which may have been or may now be Hazardous Materials or Other Conditions, may have been released or disposed of thereon. As a result of such uses and activities and the seepage and leaching of materials, physical, chemical or other changes may have occurred in, on, or under the Premises, including, without limit, the deposition of Hazardous Materials and Other Conditions.

(ii) By the affirmative act of Closing, Buyer, for itself and Buyer Parties, will have acknowledged having inspected the Premises and observed its physical characteristics and existing conditions and, having had the opportunity to conduct such investigation and study on and of the Premises as it deemed necessary, Buyer, for itself and Buyer Parties, hereby waives any and all objections to or complaints about any and all Hazardous Materials and Other Conditions.

(iii) By the affirmative act of Closing, Buyer, for itself and Buyer Parties, will have further acknowledged and agreed that the Premises is to be sold and conveyed to, and purchased and accepted by, Buyer, in its present condition, "AS IS," and Buyer Parties thereby assume the risk that adverse physical characteristics and existing conditions, including, without limit, Hazardous Materials and Other Conditions, may not have been revealed by its investigation.

(iv.) For the purposes of this Agreement, (i) "Hazardous Materials" include, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601, *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801, *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901, *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601, *et seq.*), and in the regulations adopted and publications promulgated pursuant thereto, as such laws or regulations now exist or may exist in the future, and (ii) "Other Conditions" include, without limit, methane and other gases, petroleum and any fraction thereof, nonhazardous wastes or materials, and any physical conditions of other subsurface conditions which arise out of or are in any way related to current or previous uses or activities on the Premises.

(v) For the purposes of this Agreement, Parcel B-1 shall mean the property outlined in red on Exhibit "A", and Parcel B-2 shall mean the property outlined in blue on Exhibit "A".

(B) Release.

By the affirmative act of Closing, Buyer Parties waive, release, acquit, and forever discharge Seller, all of Seller's predecessors-in-interest and all predecessors-in-title to the Premises, and all of their direct or indirect parent, affiliate, subsidiary, or predecessor corporations, companies, partnerships, or associations (including, without limitation, Soo Line Railroad Company) and their respective shareholders, members, partners, directors, officers, employees, contractors, agents, representatives, successors, assigns or any other person acting on behalf of Seller (the "Seller Parties"), of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Buyer Parties now have or may have or which may arise in the future on account of or in any way growing out of or in connection with any Hazardous Materials or Other Conditions on, under, from, or affecting the Premises or any law or regulation applicable thereto. The provisions of this Section B shall survive the Closing.

(C) Environmental Restrictions.

Buyer Parties hereby agree to the environmental covenants and restrictions set forth below ("Environmental Restrictions"). The Environmental Restrictions shall run with the land for the benefit of Seller Parties and shall bind Buyer Parties and all lessees, licensees, invitees, and any user or occupant of all or any portion of the Premises ("Restricted Persons"), and shall continue in force unless and until released as set forth below. Provisions substantially similar to those in this paragraph (C) shall be incorporated into the Deed recorded at Closing.

(i) Environmental Matters. To reduce risks to human health and/or the environment and to permit application of environmental corrective action standards or other protective activities that are consistent with applicable law, this conveyance is made by Seller and accepted by Buyer Parties on the express condition and subject to the following restrictions, notices, acknowledgments and covenants until such time as the Property (or the applicable portion thereof) has been sufficiently remediated in accordance with (C)(i)(c) below:

(a) Groundwater Exposure Restriction. No water supply wells of any kind (including, without limitation, water wells used for drinking, bathing or other human consumption purposes and water wells used for livestock, farming or irrigation) shall be installed or used on the Premises (collectively, the "Groundwater Exposure Restriction"); provided, however, that the Groundwater Exposure Restriction does not prohibit the installation or use of any compliance wells or any groundwater monitoring, recovery or extraction wells or similar devices used for or

related to the performance of any remediation or environmental corrective action work on the Premises now or in the future.

(b) Use Restriction. Subject to Section C(i)(c) below, the use of the Parcels B-1 and B-2 shall be strictly limited to industrial land uses as that term is defined in NR 700.03(28(m)), and no other use or occupation is permitted. Except for those uses described in the preceding sentence and subject to Section C(i)(c) below, Parcels B-1 and B-2 shall not be used or occupied for residential, commercial, agricultural or other non-industrial purposes. For the avoidance of doubt and notwithstanding any other provision herein, under no circumstance shall Parcel B-1 or B-2 or any portion of those parcels be used for habitation by individuals or as a parkland, public or private beach, recreational facility, educational facility, health care facility (including, without limitation, medical, dental, nursing and hospice facilities), child care facility, elder care facility, or place of worship.

(c) Remediation. Parcels B-1 and B-2 may be used for purposes other than those permitted in Section C(i)(b) above so long as Buyer Parties, at Buyer Parties' sole expense: (1) enroll the parcels in the Wisconsin Voluntary Party Liability Exemption Program pursuant to and in accordance with the procedures specified in s. 292.15 Wis. Stats. and ch. NR 750 Wis. Adm. Code; (2) remediate environmental contamination existing on those parcels to the extent necessary to meet Wisconsin remediation objectives for non-industrial properties and satisfy requirements for case closure under ch. NR 726 Wis. Adm. Code; (3) undertake all other actions necessary to obtain a Certificate of Completion from the Wisconsin Department of Natural Resources (WDNR) permitting Parcels B-1 and B-2 to be used for non-industrial purposes; and (4) comply with all obligations and terms contained in Certificate of Completion, including, without limitation, continuing maintenance and monitoring requirements. No Buyer Party may allow any person (including any tenant, easement holder, contractor, licensee, or invitee of a Buyer Party) to conduct any capping, earth removal, excavation, construction, grading, or other activities that disturb the surface or subsurface of Parcels B-1 or B-2 ("Development Activity") without Seller's written consent. Seller's consent shall be deemed to have been granted if the party planning on undertaking Development Activity executes and delivers to Seller the release of liability form attached hereto as Exhibit "B" at least ten (10) business days prior to the commencement of any Development Activity.

(d) Assumption and Discharge of Continuing Obligations at Parcel B-1. Buyer Parties acknowledge that WDNR issued a Final Case Closure Letter dated February 22, 2007 and attached hereto as Exhibit "C" with respect to Seller's remediation of Parcel B-1, and that the Case Closure Letter imposes certain conditions and continuing obligations on current and future owners and occupants of that Parcel, including, but not limited to, maintenance of a cap in accordance with the terms of the Cover Maintenance Plan attached hereto as Exhibit "D". Buyer Parties agree to assume and discharge all obligations imposed by the Closure Letter until such time, if any, as WDNR withdraws or rescinds those obligations.

(ii) Development by Subsequent Grantees.

Until such time as the Property (or the applicable portion thereof) has been sufficiently remediated in accordance with (C)(i)(c) above, Buyer Parties shall include a provision in any contract for sale of the Premises or part thereof requiring the Buyer Party's purchaser to execute the release of liability form attached hereto as Exhibit "B" and deliver it to Seller prior to closing. Buyer Parties shall also include a provision in any contract for sale requiring the purchaser to cause similar provisions to be included in all subsequent purchase and sale agreements involving the Premises.

Seller Parties shall not be responsible for any environmental response costs or expenses incurred by Buyer Parties during or in connection with any Development Activity on the Premises.

Buyer Parties shall include a statement in all subsequent purchase and sale agreements involving the Premises reciting that Seller is a "third-party beneficiary" of that subsequent agreement and entitled to enforce the requirements, covenants and restrictions of this Section C.

(iii) Duration.

The Environmental Restrictions shall run with the land and each portion thereof and shall be binding upon and inure to the benefit of Seller Parties and Buyer Parties, and shall remain in full force and effect and bind and restrict the Premises, unless and until the Environmental Restrictions (or any portion thereof) have been sufficiently remediated in accordance with (C)(i)(c) above.

(iv) Notice of Environmental Restrictions upon Conveyance.

Each instrument hereafter conveying any interest in the Premises or any portion of the Property B-1 shall contain a recital acknowledging the Environmental Restrictions (as long as applicable) and providing the recording location of this Deed upon such conveyance substantially in the following form: "The real property described herein is subject to the Environmental Restrictions made by Wisconsin Central Ltd., as Grantor, for its benefit and for the benefit of other parties and persons as set forth therein, and recorded with the Office of the Recorder of Manitowoc County on the _____ day of _____, 2018, in Manitowoc County Deed Records at Volume ____, Page ____ and having Document No. _____ as if the same were fully set forth herein." Notwithstanding the foregoing, any failure to include such notice shall not, in and of itself, create any right or claim that any of the Environmental Restrictions or this Deed is void, voidable or otherwise unenforceable in accordance with their terms.

(v) Subsequent Grantees.

Until such time as the Property (or applicable portion thereof) has been sufficiently remediated in accordance with (C)(i)(c) above, by taking title to the Premises (or otherwise succeeding, directly or indirectly, to Buyer Parties' right, title or interest in or to the Premises), Buyer Parties shall be conclusively deemed to have agreed to and accepted each and all of the terms, provisions and conditions of this contract, and to have agreed to be bound thereby. It is the intention of Seller and Buyer that the terms, provisions, covenants and restrictions set forth in this contract and the deed shall be deemed to have vested upon the execution and delivery of the Deed by Seller. If any of the covenants or restrictions contained herein or in the deed shall be unlawful, void or voidable for violation of the rule against perpetuities, then any such covenants and restrictions shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of President George W. Bush. If any of the covenants or restrictions contained herein or the deed shall be unlawful, void or voidable for violation of any other statutory or common law rule(s) or regulation(s) imposing time limits, then any such covenants and restrictions shall continue only for the longest period permitted under such statutory or common law rule(s) or regulation(s). If any term, provision, condition, covenant or restriction in the deed shall, to any extent, be invalid or unenforceable, the remainder of the deed (or the application of such term, provision, condition, covenant or restriction to persons or circumstances other than in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision, condition, covenant and restriction set forth in the deed shall be valid and enforceable to the fullest extent permitted by law. Buyer Parties acknowledge that the breach of any of the covenants or restrictions contained in this contract or the deed on the part of Buyer Parties will result in irreparable harm and continuing damages to Seller Parties and Seller Parties' business, and that Seller Parties' remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Seller Parties at law or in equity in the event of any such breach, any court of competent jurisdiction may issue an injunction (both preliminary and permanent), without bond, enjoining and restricting the breach or threatened breach of any such covenant or restriction by Buyer Parties. In the event that Buyer Parties shall breach any of the covenants or restrictions set forth in this contract or the deed, then Buyer Parties shall pay all of Seller Parties' costs and expenses (including reasonable attorneys' fees) incurred in enforcing such covenants and restrictions.

Exhibit A to the Addendum to Real Estate Sale Contract

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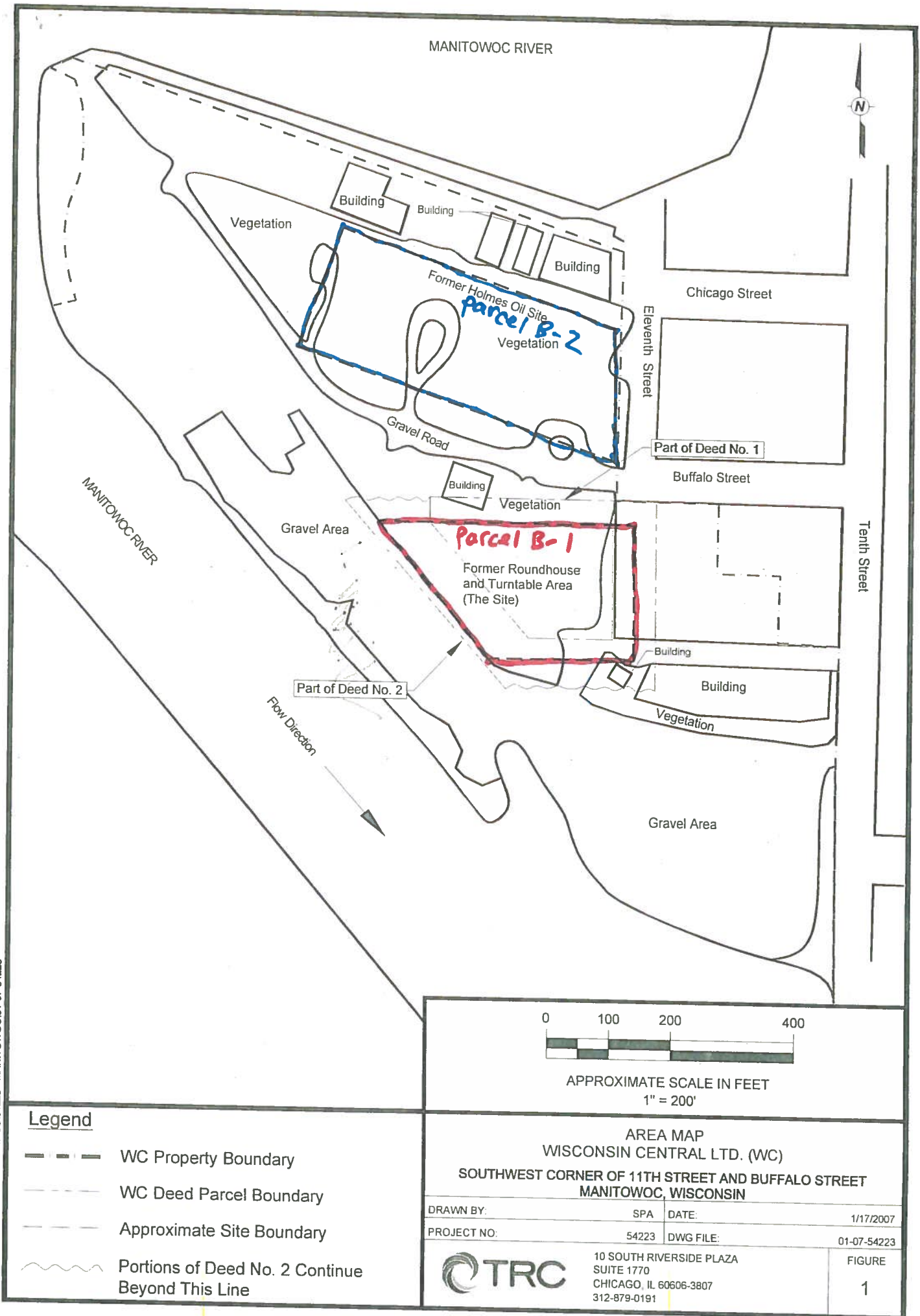


Exhibit B to the Addendum to Real Estate Sale Contract

RELEASE OF LIABILITY

The undersigned hereby waives, releases, acquits, and forever discharges Wisconsin Central Ltd., all of Wisconsin Central Ltd.'s predecessors-in-interest and all predecessors-in-title to the Premises, and all of their direct or indirect parents, affiliates, subsidiaries, or predecessor corporations, companies, partnerships, or associations (including, without limitation, Soo Line Railroad Company) and their respective shareholders, members, partners, directors, officers, employees, contractors, agents, representatives, successors, assigns or any other person acting on behalf of Wisconsin Central Ltd. of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Buyer Parties now have or may have or which Buyer parties may have in the future on account of or in any way growing out of or in connection with any Hazardous Materials or Other Conditions on, under, from, or affecting the Premises or any law or regulation applicable thereto. For purposes of this Release, (i) "Hazardous Materials" include, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601, *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §§ 1801, *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901, *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601, *et seq.*), and in the regulations adopted and publications promulgated pursuant thereto, as such laws or regulations now exist or may exist in the future, and (ii) "Other Conditions" include, without limit, methane and other gases, petroleum and any fraction thereof, nonhazardous wastes or materials, and any physical conditions of other subsurface conditions which arise out of or are in any way related to current or previous uses or activities on the Premises.

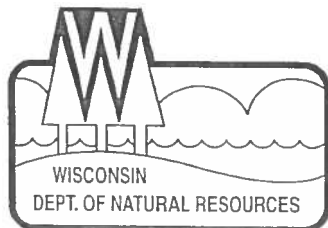
PURCHASER

By: _____

Its _____

Date: _____

Exhibit C to the Addendum to Real Estate Sale Contract



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Scott Hassett, Secretary
Ronald W. Kazmierczak, Regional Director

Northeast Region Headquarters
2984 Shawano Avenue, P.O. Box 10448
Green Bay, Wisconsin 54307-0448
Telephone 920-662-5100
FAX 920-662-5413
TTY Access via relay - 711

February 22, 2007

Kurt Blumer
Environmental Coordinator
Canadian National Railway
17641 S. Ashland Avenue
Homewood, IL 60430

SUBJECT: Final Case Closure with Land Use Limitations or Conditions
Wisconsin Central Limited - Former Turntable and Roundhouse Area
Corner of 11th and Buffalo Streets, Manitowoc Wisconsin
WDNR BRRTS ID # 02-36-176478

Dear Mr. Blumer:

Based on the correspondence and data provided, it appears that your case meets the requirements of ch. NR 726, Wisconsin Administrative Code. **The Department considers this case closed and no further investigation or remediation is required at this time.** Your site will be listed on the DNR Remediation and Redevelopment GIS Registry of Closed Remediation Sites.

On July 11, 2005, the Northeast Region Closure Committee reviewed the above referenced case for closure. This committee reviews environmental remediation cases for compliance with state laws and standards to maintain consistency in the closure of these cases. On July 28 2005, the Committee informed you of the following closure decision:

It appears your site has been adequately investigated and may be eligible for case closure if certain minimum closure requirements are met.

Your site was denied closure because a complete and recorded deed restriction and well abandonment forms were not received. These actions are required in order to comply with state law and administrative codes. Once you complete the tasks below, your site will be reconsidered for closure.

On July 27, 2006, the Department sent a conditional closure letter to you describing the needed submittals for closing a site under the new Act 418 legislation. This new legislation allows the Department of Natural Resources (Department) to conditionally close sites with land use type restrictions using a site specific closure letter rather than a deed instrument

On February 16, 2007, the Department received correspondence from your consultant Michael Lawrence of TRC, indicating that you have complied with the requirements of closure.

The following documentation was received:

- Up to date and legible copies of the deed and parcel ID numbers
- Site map
- Site photographs
- Maintenance plan
- Waste manifests for purge water and soil disposal
- Well abandonment forms (MW1, MW2, MW4, MW5, MW6, MW7R, MW101, MW102)

Conditions of closure

Please be aware that pursuant to s. 292.12 Wisconsin Statutes, compliance with the requirements of this letter is a responsibility to which you and any subsequent property owners must adhere. If these requirements are not followed or if additional information regarding site conditions indicates that contamination on or from the site poses a threat to public health, safety, welfare, or the environment, the Department may take enforcement action under s. 292.11 Wisconsin Statutes to ensure compliance with the specified requirements, limitations or other conditions related to the property or this case may be reopened pursuant to s. NR 726.09, Wis. Adm. Code. It is the Department's intent to conduct inspections in the future to ensure that the conditions included in this letter including compliance with referenced maintenance plans are met.

Land use control

The most recent soil samples that were collected on this property, which were collected on September 21, 1997 and April 10, 2001, contained the following volatile organic compounds (VOC) and polycyclic aromatic hydrocarbons (PAH) benzene, benzo(a)anthracene, benzo(a)pyrene, benzo(b)fluoranthene, dibenzo(a,h)anthracene, Indeno(1,2,3-cd)pyrene naphthalene, phenanthrene in concentrations that exceeded NR 720.11, Table 2, Wis. Adm. Code, soil standards. Therefore, pursuant to s. 292.12(2)(c), Wis. Stats., the property described above may not be used or developed for a residential, commercial, agricultural or other non-industrial use, unless (at the time that the non-industrial use is proposed) an investigation is conducted, to determine the degree and extent of VOC and PAH contamination that remains on the property, and remedial action is taken as necessary to meet all applicable non-industrial soil cleanup standards. If soil in the specific locations described above is excavated in the future, the property owner at the time of excavation must sample and analyze the excavated soil to determine if residual contamination remains. If sampling confirms that contamination is present the property owner at the time of excavation will need to determine whether the material would be considered solid or hazardous waste and ensure that any storage, treatment or disposal is in compliance with applicable statutes and rules. In addition, all current and future owners and occupants of the property need to be aware that excavation of the contaminated soil may pose an inhalation or other direct contact hazard and as a result special precautions may need to be taken during excavation activities to prevent a health threat to humans.

Cap maintenance

Pursuant to s. 292.12(2)(a), Wis. Stats., the pavement or other impervious cap that currently exists in the location shown on the attached map shall be maintained in compliance with the **attached maintenance plan** dated February 14, 2007, in order to minimize the infiltration of

water and prevent additional groundwater contamination that would violate the groundwater quality standards in ch. NR 140, Wis. Adm. Code, and to prevent direct contact with residual soil contamination that might otherwise pose a threat to human health. If soil in the specific locations described above is excavated in the future, the property owner at the time of excavation must sample and analyze the excavated soil to determine if residual contamination remains. If sampling confirms that contamination is present the property owner at the time of excavation will need to determine whether the material would be considered solid or hazardous waste and ensure that any storage, treatment or disposal is in compliance with applicable statutes and rules. In addition, all current and future owners and occupants of the property need to be aware that excavation of the contaminated soil may pose an inhalation or other direct contact hazard and as a result special precautions may need to be taken during excavation activities to prevent a health threat to humans.

In addition, depending on site-specific conditions, construction over contaminated materials may result in vapor migration into enclosed structures or migration along newly placed underground utility lines. The potential for vapor inhalation and mitigation should be evaluated when planning any future redevelopment, and measures should be taken to ensure the continued protection of public health, safety, welfare and the environment at the site.

GIS Registry listing

Your site will be listed on the Bureau for Remediation and Redevelopment GIS Registry for Closed Remediation sites for the following reasons. Information that was submitted with your closure request application will be included on the GIS Registry.

Residual Soil Contamination

Residual soil contamination remains as indicated in the information submitted to the Department of Natural Resources at the following locations:

- Soil impacts due to VOC and PAH at boring or monitoring well locations MW1, MW5, B4, B-5, B-8, B10, SP1 (as specified above)

Residual Groundwater Contamination

Residual groundwater contamination remains as indicated in the information submitted to the Department of Natural Resources at the following locations:

- Groundwater impacts due to the following VOC at locations MW1 and MW2:
cis-1,2 dichloroethene, trichloroethene, and vinyl chloride

Lost Monitoring Wells

On February 14, 2007, your consultant Michael Lawrence of TRC, notified the Department that monitoring well(s) **MW3** and **MW7** located on the subject property could not be properly abandoned because they had been lost due to being paved over, covered or removed during miscellaneous site activities. Your consultant has made a reasonable effort to locate the lost well(s) to determine whether they were properly abandoned but has been unsuccessful in those efforts. You need to understand that in the future you may be held liable for any problems

associated with monitoring well(s) **MW3** and **MW7** if they create a conduit for contaminants to enter groundwater. If in the future any of the lost groundwater monitoring wells are found, the then current owner of the subject property will be required to notify the Department and to properly abandon the wells in compliance with the requirements in ch. NR 141, Wis. Adm. Code, and to submit the required documentation of that abandonment to the Department.

To review the sites on the GIS Registry web page, visit <http://dnr.wi.gov/org/aw/rr/gis/index.htm>. If your property is listed on the GIS Registry because of remaining contamination and you intend to construct or reconstruct a well, you will need prior Department approval in accordance with s. NR 812.09(4)(w), Wis. Adm. Code. To obtain approval, Form 3300-254 needs to be completed and submitted to the DNR Drinking and Groundwater program's regional water supply specialist. This form can be obtained on-line <http://www.dnr.state.wi.us/org/water/dwg/3300254.pdf> or at the web address listed above for the GIS Registry.

If this is a PECFA site, Section 101.143, Wis. Stats., requires that PECFA claimants seeking reimbursement of interest costs, for sites with petroleum contamination, submit a final reimbursement claim within 120 days after they receive a closure letter on their site. For claims not received by the PECFA Program within 120 days of the date of this letter, interest costs after 60 days of the date of this letter will not be eligible for PECFA reimbursement. If there is equipment purchased with PECFA funds remaining at the site, contact the Commerce PECFA Program to determine the method for salvaging the equipment.

The Department appreciates your efforts to restore the environment at this site. If you have any questions regarding this closure decision or anything outlined in this letter, please Annette Weissbach at 920-662-5165 or annette.weissbach@wisconsin.gov.

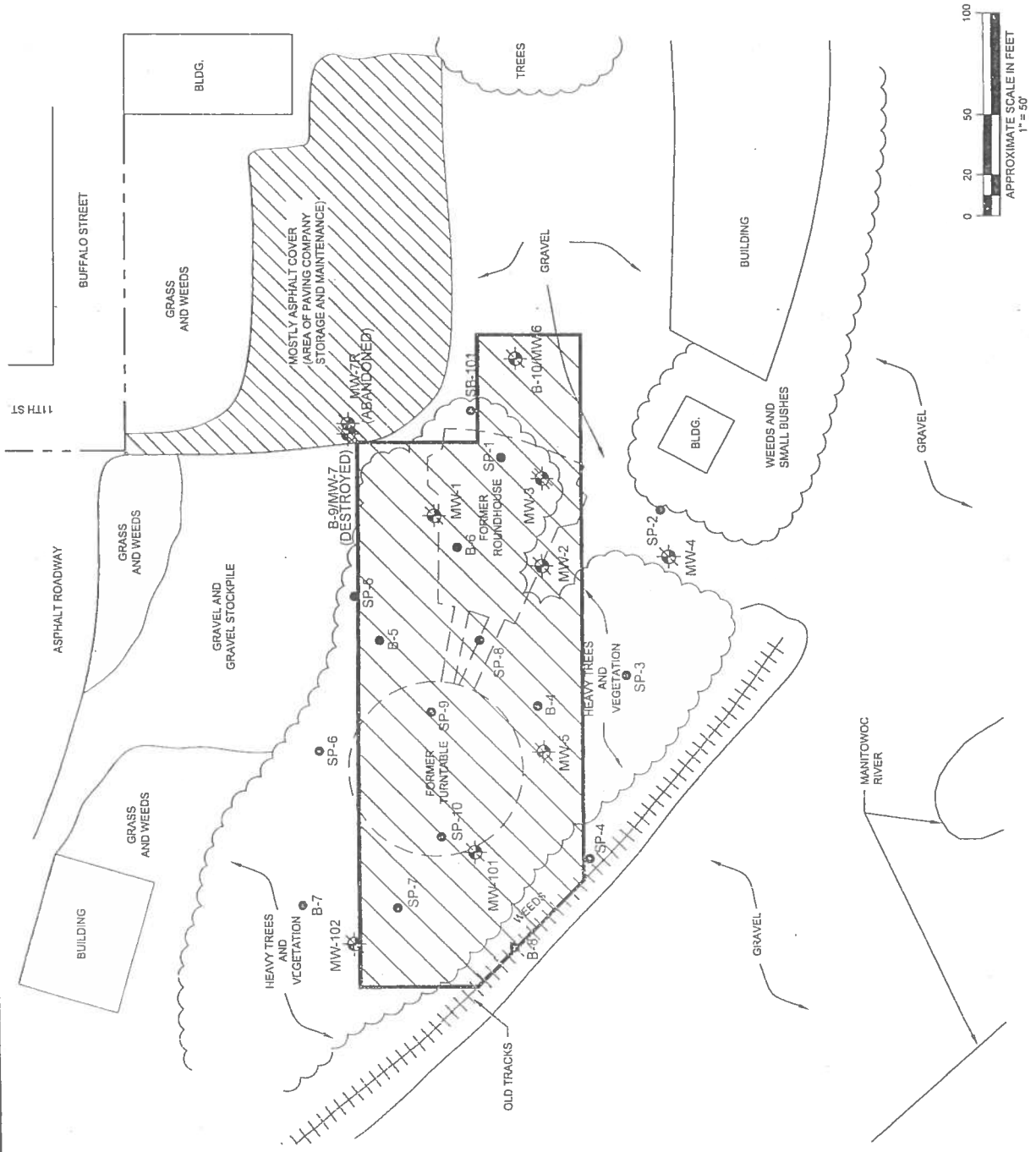
Sincerely,



Bruce Urban
NER Remediation & Redevelopment Team Supervisor

Attach: Site map
Maintenance Plan

Cc: Mike Lawrence – TRC, 10 South Riverside Plaza, Suite 1770, Chicago, IL 60606-3807
Annette Weissbach – NER



NOTE:
MW-3 AND MW-7 WERE DESTROYED PRIOR TO
WELL ABANDONMENT ACTIVITIES ON
AUGUST 11, 2006.

LEGEND

- SP-6 HISTORIC SOIL BORING
- B-7 TRC SOIL BORING
- ⊗ MW-3 ABANDONED HISTORIC MONITORING WELL
- ⊗ MW-3 DESTROYED HISTORIC MONITORING WELL
- ⊗ MW-101 ABANDONED TRC MONITORING WELL
- WC PROPERTY BOUNDARY
- ▨ MAINTENANCE PLAN AREA

MAINTENANCE PLAN AREA MAP
FORMER TURNTABLE AND ROUNDHOUSE AREA
 WISCONSIN CENTRAL LTD. (WC)
 SOUTHWEST CORNER OF 11TH STREET AND BUFFALO STREET
 MANITOWOC, WISCONSIN

DRAWN BY	DATE	DWG FILE
PROJECT NO	5423	05-07-5423
		FIGURE
10 SOUTH RIVERSIDE PLAZA SUITE 1770 MANITOWOC, WI 54220-3807 920.878.9181		2

Exhibit D to the Addendum to Real Estate Sale Contract

EXISTING SURFACE COVER MAINTENANCE PLAN

February 14, 2007

Property:

Wisconsin Central Ltd. - Former Turntable and Roundhouse Area
Southwest Corner of 11th and Buffalo Streets, Manitowoc, Wisconsin
WDNR BRRTS# 02-36-176478

Legal Description

Please refer to Attachment B of the Closure Update Response Letter (Letter) for the legal descriptions included in deed document numbers 1 and 2. Parcel identification numbers and information are located in Attachment C of the Letter.

Introduction

This document is the Maintenance Plan for the current surface cover at the above-referenced property (site) in accordance with the requirements of s. NR 724.13(2), Wisconsin Administrative Code. The maintenance activities apply to the existing cover which consists primarily of vegetation and some gravel and asphalt areas (the current surface cover). These areas are to be maintained over the impacted soil and groundwater areas on site as shown on Figure 2. The constituents of concern (COCs) within the impacted area include volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs) and arsenic.

Cover Purpose

The current surface cover over the impacted area will serve as a barrier to prevent direct human contact with residual soil contamination that might otherwise pose a threat to human health. The current surface cover also acts as a partial infiltration barrier to minimize future soil-to-groundwater migration of COCs that would violate the groundwater standards in ch. NR 140, Wisconsin Administrative Code. In addition, the current surface cover will continue to allow natural attenuation to occur without the risk of direct contact with soil and groundwater impact. Based on the current and future use of the property, the barrier should function as intended unless disturbed.

Annual Inspection

The current site cover overlying the soil and groundwater impacted areas as depicted in Figure 2 will be inspected once a year, normally in the spring after all snow and ice is gone, for any potential problems that can cause additional infiltration into or exposure to underlying soils. The inspections will be performed to evaluate damage due to settling, exposure to the weather, wear from traffic, or other factors. Any area where soils have become or are likely to become exposed

will be documented. A Cover Inspection Log (Log) for inspections and any repairs will be maintained by the property owner and is included as Attachment H in the Letter. The Log will include recommendations for necessary repair of any areas where underlying soils are exposed. Once repairs are completed, they will be documented in the Log. The annual inspections will be conducted by the property owner identified in the contact information below. The Log can be requested by interested parties at the property owner's address (also listed in the contact information). Requests for the Log should be received in writing.

Maintenance Activities

If problems are noted during the annual inspections or at any other time during the year, repairs will be scheduled as soon as practical. Repairs may include vegetation replacement or patching and filling/resurfacing operations. In the event that necessary maintenance activities expose the underlying soil, the owner will inform maintenance workers of the direct contact exposure hazard and provide them with the appropriate personal protection equipment (PPE). The owner must also sample any soil that is excavated from the site prior to disposal to ascertain if contamination remains. The soil must be treated, stored and disposed of by the owner in accordance with applicable local, state and federal law.

In the event that the current surface cover overlying the impacted area is removed or replaced and the impacted soil remains in place, the replacement barrier will provide equal protection from direct contact and impact migration. Any replacement barrier will be subject to the same maintenance and inspection guidelines as outlined in this Maintenance Plan unless indicated otherwise by the WDNR or its successor.

The property owner, in order to maintain the integrity of the current surface cover, will maintain a copy of this Maintenance Plan at the property owner's address as listed in the contact information; therefore, the Maintenance Plan is available to all interested parties for viewing.

Amendment or Withdrawal of Maintenance Plan

The Maintenance Plan can be amended or withdrawn by the property owner and its successors with the written approval of WDNR.

Contact Information

February 2007

Site/Property Owner and Operator:

Wisconsin Central Ltd.
17641 South Ashland Avenue
Homewood, Illinois 60430

Contacts:

1. Kurt Blumer
Environmental Coordinator
Phone: 708-332-6566
2. Geoff Nokes
Manager Environmental Compliance
Phone: 708-332-3860

Consultant:

TRC
10 South Riverside Plaza, Suite 1770
Chicago, Illinois 60606
Contact: Michael Lawrence
Project Manager
Phone: 312-879-0191

WDNR:

Remediation & Redevelopment Program
2984 Shawano Avenue
Green Bay, Wisconsin 54307
Project Manager: Annette Weissbach
Hydrogeologist
Phone: 920-662-5165

Attachments included in Closure Update Response Letter

Exhibit B

[illegible]

