

A quorum of the Administration Committee, Board of Public Works, Park Board, and/or Common Council may attend this meeting; (Although it is not expected than any official action of any of those bodies will be taken).

**CITY OF MENASHA
REDEVELOPMENT AUTHORITY**

**Menasha City Center, Room 133
100 Main Street, Menasha**

August 31, 2017

5:00 PM

AMENDED AGENDA

- A. CALL TO ORDER
- B. ROLL CALL/EXCUSED ABSENCES
- C. MINUTES TO APPROVE
 - 1. Minutes of the August 1, 2017 Redevelopment Authority Meeting
- D. PUBLIC COMMENTS ON ANY MATTER OF CONCERN ON THIS AGENDA
(five (5) minute time limit for each person)
- E. ACTION ITEMS
 - 1. Real Estate Purchase – 460 Ahnaip Street (RR Donnelley)
 - 2. Offer to Purchase – Lake Park Villas Phase II Subdivision Lot 70/913 Clover Court – Van's Realty and Construction of Appleton, Inc.
- F. DISCUSSION
- G. ADJOURNMENT

If you have questions, please call the Community Development Department at
(920) 967-3650 between 8:00 AM – 4:00 PM, Monday through Friday.

**CITY OF MENASHA
Redevelopment Authority
100 Main Street-Room 132/133
August 1, 2017
DRAFT MINUTES**

A. CALL TO ORDER

The meeting was called to order at 5:00 pm by Chairmen Kim Vanderhyden.

B. ROLL CALL/EXCUSED ABSENCES

REDEVELOPMENT AUTHORITY MEMBERS PRESENT: Kim Vanderhyden, Ald. Rebecca Nichols, Bob Stevens, Linda Kennedy, and Matt Vanderlinden.

REDEVELOPMENT AUTHORITY MEMBERS EXCUSED: Kip Golden and Gail Propp.

OTHERS PRESENT: Alderman Arnie Collier, Jerry Haen (Van's Realty and Construction), and Richard DeKleyn (Coldwell Banker).

C. MINUTES TO APPROVE

1. Minutes of the May 25, 2017 Redevelopment Authority Meeting

Motion to approve the May 25, 2017 Redevelopment Authority meeting minutes as presented made by Linda Kennedy, seconded by Bob Stevens. Motion carried unanimously.

D. PUBLIC COMMENT ON ANY ITEM OF CONCERN ON THIS AGENDA

No one spoke.

E. ACTION ITEMS

1. Van's Construction Builders Credit Extension

CDD Buck stated that the Redevelopment Authority entered into a Land Purchase and Development Agreement with Van's Realty and Construction for the purchase and certain lots in the subdivision at Lake Park Villas in September of 2016. Certain obligations of the agreement included that Van's will build homes on each of the original five lots purchased within one year of closing with the RDA and upon completion of each home and sale to a third party buyer, Van's will be credited with a \$10,500 "builder's credit" for each lot. Van's has constructed two of the five homes and are concerned they will be unable to meet their obligation of constructing all five homes within 2017 due to timing issues associated with the purchase of the lots, difficult weather conditions over the winter and spring, and roadway weight limits. They are concerned that they will subsequently lose the builders credit and are therefore requesting an amendment to the Land Purchase and Development Agreement extending the timeframe for construction of homes from December 31, 2017 to December 31, 2018. City staff recommends approval of the amendment in order to continue development of the Lake Park Villas subdivision and build new homes for residents in the City of Menasha.

Discussion ensued regarding Van's progress on construction and estimated timing to complete the three remaining homes. The commission inquired to whether this amendment would affect other portions of the original agreement and CDD Buck responded that the proposed amendment did not affect any other part of the original agreement except the one-year extension to construct the first five homes. Mr. Haen (Van's Realty and Construction) described the progress they have made with construction and that they anticipate that they will complete the three remainder homes by the summer of 2018.

Motion to approve the Amendment to the Land Purchase and Development Agreement with Van's Realty and Construction as presented was made by Linda Kennedy, seconded by Matt Vanderlinden. Motion carried unanimously.

F. Discussion

1. Lake Park Villas Lot Sales Update

CDD Buck went over the staff memo describing that three lots within the Villas have been sold to date and two offers to purchase have been accepted. Mr. Buck added that after these five lots are sold, the RDA will remain the owner of 48 of the 112 residential lots within the subdivision.

Richard DeKleyn (Coldwell Banker) stated that his website listing the lots received approximately 35 views per week on average. He added that he has installed a large sales sign on Lake Park Road, a small sign on Fountain Way, eight signs at locations where multiple lots are for sale, posted sold signs on the yet undeveloped lots that have been sold, and contacted area builders through the Homebuilders Association. Additionally, Mr. DeKleyn said he has a party interested in two more lots with the thought of consolidating them for a larger home. Kim Vanderhyden asked how these sales compare to other subdivisions and Mr. DeKleyn stated that the subdivision is unique in that there is a homeowners association but that he feels the lots are priced appropriately and is confident that sales will go well. Matt Vanderlinden asked if the homeowners association is a positive or negative element associated with sales and Mr. DeKleyn stated both in that they will appeal to a more specific buyer who is looking for the amenities associated with the association but that these buyers are not as numerous as conventional lot purchasers.

2. Lot Reconfiguration/Consolidation

CDD Buck explained that there have been several inquiries regarding eliminating or consolidating the smaller lots within the subdivision, especially if they do not front on open spaces or outlots. Mr. Haen explained that they purchased a lot with backs up to Lot 90, which is a very small lot and are having difficulties selling it because of the proximity the home will have to the side yard of Lot 90.

CDD Buck explained that Lake Park Villas is not a conventional subdivision and it was designed as a "conservation design" or "cluster subdivision" in that the lots are smaller than a typical subdivision and that setbacks are reduced to have more compact housing development but that the neighborhood or community itself has amenities not found in a regular subdivision like a homeowners association that collectively mows lawns and clears snow. He added that it also has a greater area of community open space, trails, and fountains that are privately owned and not open to the outside public as well as trail connections to the commercial areas on Lake Park Road. CDD Buck explained the

concept of a “conservation design” subdivision as it applies to the Villas and stated that the smaller lot sizes are intentional. He did not recommend reconfiguring or consolidating lots at this time as it could change the dynamic of the subdivision and may have a negative effect on the homeowners association’s financing, RDA return on investment and tax base that would be diminished with fewer homes.

The Redevelopment Authority discussed potential alternate sales and marketing outlets for this type of neighborhood and provided suggestions to Mr. Dekleyn. The Authority determined that they would reexamine the lot configuration after this selling season and determine if adjustments need to be made to the sizes and pricing.

G. Adjournment

Ald. Rebecca Nichols motioned to adjourn the meeting at 6:22 pm. Motion was seconded by Kim Vanderhyden. Motion carried unanimously.

Minutes respectfully submitted by CDD Buck.

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of the 24 day of May, 2016 (the "Effective Date"), by and between R.R. DONNELLEY & SONS COMPANY, a Delaware corporation ("Seller"), and THE REDEVELOPMENT AUTHORITY OF THE CITY OF MENASHA, a Wisconsin Municipal Corporation ("Purchaser").

RECITALS

A. Seller, or a wholly owned subsidiary of Seller, owns that certain property within the City of Menasha, State of Wisconsin, commonly referred to as 460 Ahnaip Road, Menasha, WI, and as more fully described in Exhibit A (the real estate, together with all buildings, fixtures, appurtenances and easements, are referred to herein as the "Property").

B. Seller wishes to sell, and Purchaser wishes to purchase, all of Seller's right, title and interest in and to the Property, on the terms, conditions and provisions set forth in this Agreement.

C. On August 4, 2014, the Common Council of the City of Menasha approved Resolution R-19-14, *A Resolution Declaring Property to be Blighted and Authorizing the Redevelopment Authority to Acquire and Assist the Redevelopment of the Property*.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals which are a substantive part of this Agreement and the mutual promises set forth in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party, Seller and Purchaser agree as follows:

1. Agreement to Sell. Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, all of Seller's right, title and interest in and to the Property upon the terms, conditions and provisions set forth in this Agreement.

2. Purchase Price. Subject to the prorations and adjustments as provided herein, the purchase price for the Property shall be equal to ONE AND NO/100 DOLLARS (\$1.00) (the "Purchase Price"). Purchaser shall pay the Purchase Price, plus or minus the prorations authorized by this Agreement, to Seller at the Closing (as defined below) in immediately available funds.

3. Title: Survey: Review Period.

(a) Title Commitment. Within fifteen (15) days after the Effective Date, Seller shall obtain a commitment for an ALTA Owner's Form policy of title insurance (the "Commitment") from Chicago Title Insurance Company's Chicago, Illinois office (the "Title Insurer"). Seller shall also request that the Title Insurer provide copies of all title exceptions shown or referenced in the Commitment (the "Underlying Documents").

Seller shall be reimbursed for the cost of the Commitment by Purchaser at Closing. To the extent Purchaser elects to terminate this Agreement prior to Closing pursuant to the terms hereof, Seller shall be responsible for the cost to obtain the Commitment.

(b) Survey. Seller shall deliver to Purchaser, within forty-five (45) days after the Effective Date, a survey in accordance with Minimum Standard Detail Requirements for ALTA/NSPS Land Title Survey Standards jointly established and adopted by ALTA and NSPS in 2016 prepared by a surveyor licensed by the State of Wisconsin, certified to Seller, Purchaser, Title Insurer, and such additional persons or entities as Purchaser may request (the "Survey"). Seller shall be reimbursed for the cost of the Survey by Purchaser at Closing. To the extent Purchaser elects to terminate this Agreement prior to Closing pursuant to the terms hereof, Seller shall be responsible for the cost to obtain the Survey.

(c) Title and Survey Review. Purchaser shall have ten (10) business days from receipt of the Title Commitment and Survey (the "Title Review Period") to review the Commitment and the Survey. If, within the Title Review Period, Purchaser serves written notice (the "Title Notice") on Seller that the Commitment or Survey contains any matter, exception or exceptions, that are not acceptable to Purchaser (the "Unpermitted Exceptions"), then Seller shall have ten (10) business days after the date of such notice (the "Cure Period"), to cure such defects by (x) removing such Unpermitted Exceptions, or (y) causing the Title Insurer to provide an affirmative endorsement insuring Purchaser over the effect of such Unpermitted Exceptions and to deliver a revision of the Commitment or Survey, as the case may be, to Purchaser, at Seller's sole cost and expense (not to exceed \$3,000 in the aggregate for all such endorsements); provided, that if Seller elects to provide affirmative endorsements insuring Purchaser over the effect of certain Unpermitted Exceptions which endorsements cost in excess of \$3,000 in the aggregate, then Purchaser may deem such election as Seller's unwillingness to cure those Unpermitted Exceptions which Seller proposes insuring with endorsements and the provisions of Section 3(c)(i) shall apply; provided, further, if Purchaser proceeds pursuant to Section 3(c)(i)(2) or Section 3(c)(ii) then Purchaser shall be responsible for the cost of such endorsements in excess of \$3,000. Seller shall notify Purchaser in writing within ten (10) business days after receipt of the Title Notice whether Seller elects to cure the same. All existing exceptions not objected to in the Title Notice as being Unpermitted Exceptions are hereinafter referred to as "Permitted Exceptions."

(i) If Seller is unable or unwilling to cause any or all of the Unpermitted Exceptions to be removed or insured over by endorsement as described above, Purchaser shall have the right to:

(1) terminate this Agreement by sending written notice of such termination to Seller within five (5) days after the expiration of the Cure Period, in which event the earnest money deposit (the "Deposit"), if any, shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement except as explicitly stated herein; or

(2) waive its objection to such Unpermitted Exceptions and accept title to the Property subject thereto, in which case such Unpermitted Exceptions shall be deemed Permitted Exceptions, and Purchaser shall have no further rights against Seller with respect to such exceptions.

(ii) If Purchaser has not delivered the Title Notice to Seller by the expiration of the Title Review Period, Purchaser shall be deemed to have waived the provisions of this Section 3. In addition, if Purchaser does not notify Seller that Purchaser has elected to terminate this Agreement as permitted in Section 3(c)(i)(1) within the five (5) day period described in Section 3(c)(i)(1), Purchaser shall be deemed to have waived its objection to such Unpermitted Exceptions as described in Section 3(c)(i)(2).

4. Intentionally Omitted.

5. Conveyance. Seller shall convey, or cause to be conveyed, to Purchaser title to the Property by transferrable limited warranty deed or the equivalent thereof (the "Deed"), and subject only to the following permitted exceptions (the "Permitted Exceptions"):

(a) General real estate taxes and any and all special taxes or assessments which are a lien but not yet due and payable;

(b) Acts done or suffered by and judgments against Purchaser and any parties claiming by, through or under Purchaser;

(c) All easements or rights of use, if any, created in favor of any public utility or municipal department or agency for electricity, steam, gas, telephone, water, sewer or other services in any street or avenue abutting the Property and the right, if any, to use and maintain wires, cables, terminal boxes, lines, service connections, poles, mains and facilities servicing the Property in, on, over or across the Property;

(d) Dedicated roads and highways, and property condemned or taken by eminent domain, if any, and rights of the public, the State of Wisconsin and the municipality in and to that part of the land, if any, taken or used for road purposes;

(e) All building, zoning, and applicable laws, ordinances and regulations of governmental authorities having jurisdiction over the Property;

(f) Intentionally omitted;

(g) Intentionally omitted;

(h) Intentionally omitted; and

(i) All exceptions in the Commitment or Survey deemed Permitted Exceptions in accordance with Section 3 above.

6. Purchaser's Review.

(a) Subject to the provisions of Section 7 below, Purchaser shall have forty-five (45) days from the Effective Date (the "**Feasibility Review Period**") to conduct a physical inspection of the Property and to perform such examinations and inspections, including non-destructive testing to identify hazardous substances that may exist in the building components, necessary to ascertain whether the condition of the Property (other than the Environmental Review, which inspection shall be governed by the provisions of Section 6(c) below) is acceptable to Purchaser, in its sole discretion (the "**General Feasibility Review**"); provided, however that Purchaser shall not perform, undertake or cause to be performed or undertaken any environmental review of the Property, except to the extent expressly permitted above with respect to testing of building components.

(b) If the General Feasibility Review discloses any matters which are not acceptable to Purchaser in its sole discretion ("**Property Defects**"), Purchaser shall so advise Seller in writing (the "**General Feasibility Notice**") prior to the expiration of the Feasibility Review Period. Seller shall have the right, but not the obligation, within ten (10) days after the date of such notice (the "**Property Defects Cure Period**") to cure such defects. If Seller is unable or unwilling to cause any or all of the Property Defects to be cured during such Property Defects Cure Period, Purchaser shall have the right to:

(i) terminate this Agreement by sending written notice of such termination to Seller within five (5) days after the expiration of the Property Defects Cure Period or receipt of notice from Seller that it is unwilling to cause any or all of the Property Defects to be cured, in which event the Deposit shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement, except as explicitly stated herein; or

(ii) waive its objection to such Property Defects and accept the Property subject thereto without reducing the Purchase Price or providing a credit thereto (Purchaser being deemed to have elected this option (ii) if it fails to terminate this Agreement in accordance with the immediately preceding option (i)).

(c) Within sixty (60) days following the Effective Date of this Agreement, Seller shall cause to be commenced by an environmental consultant acceptable to Seller in its sole discretion (the "**Environmental Consultant**") a Phase I environmental assessment of the Property in accordance with ASTM Standard E1527-13, and Seller shall thereafter diligently cause to be performed by the Environmental Consultant such Phase II environmental testing as Seller deems reasonably necessary based upon the results of such Phase I environmental assessment (the "**Environmental Review**"). Promptly following completion of the Environmental Review but in any event no later than thirty (30) days from Seller's receipt of the Environmental Review, Seller shall provide written notice to Purchaser of either (i) Seller's election, in its sole and absolute discretion, not to disclose the results of the Environmental Review to Purchaser (which election may also be made by Seller at any time prior to completion of the Environmental Review if Seller so elects in its sole and absolute discretion) (the "**Environmental Termination Notice**"), or (ii) the written results of the Environmental Review (the

"Environmental Results Notice"). which written notice shall include (x) a copy of all written results and data related to the Environmental Review, and (y) a complete proposal (including the estimated cost thereof) prepared by the Environmental Consultant, for the benefit of both Seller and Purchaser, for remediation of any environmental contamination at the Property identified in the Environmental Review to the extent required by applicable laws (the "Remediation Proposal"). Seller shall incur any out-of-pocket costs in connection with the Environmental Review; provided, however, to the extent Seller discloses the results of the Environmental Review to Purchaser pursuant to an Environmental Results Notice, then Purchaser shall be obligated to reimburse Seller for its out-of-pocket costs incurred in connection with such Environmental Review (not to exceed \$30,000) which costs shall be paid to Seller at Closing, or if this Agreement is otherwise terminated prior to Closing, within ten (10) business days following such termination (which obligation shall survive termination of this Agreement). To the extent Seller gives Purchaser the Environmental Termination Notice, this Agreement shall thereby be deemed terminated, in which event the Deposit (if any) shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement, except as explicitly stated herein. Within thirty (30) days following delivery of the Environmental Results Notice to Purchaser (the "Purchaser Environmental Review Period"), Purchaser shall have the right to:

(i) terminate this Agreement by sending written notice of such termination to Seller, in which event the Deposit shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement, except as explicitly stated herein; or

(ii) accept the Property without reducing the Purchase Price or providing a credit thereto (Purchaser being deemed to have elected this option (ii) if it fails to terminate this Agreement in accordance with the immediately preceding option (i)).

(d) To the extent this Agreement is not terminated as provided for in Section 6(c) above, Purchaser shall thereafter be deemed to (i) represent and warrant to Seller that Purchaser shall cause the remediation activities set forth in the Remediation Proposal to be fully performed as and when such activities are required or recommended thereunder, including, without limitation, imposition of any deed or use restrictions, and (ii) indemnify and hold Seller harmless from and against any claims, actions, liabilities, costs and expenses caused by or in any way arising from Purchaser's failure to perform its obligations set forth in clause (i) of this paragraph (d). The representations, warranties and indemnification obligations of this paragraph survive the termination of this Agreement or the Closing and subsequent conveyance of the Property by Purchaser to a third party; provided, that Purchaser shall have no obligations or liability to Seller under this Section 6(d) if this Agreement is terminated due to a default by Seller.

7. Purchaser's Right of Entry.

(a) Seller shall permit Purchaser and its authorized employees, agents, engineers and other representatives to enter upon the Property during regular business hours to conduct the General Feasibility Review in accordance with Section 6 and complete the Survey set forth in Section 3. This right of entry shall be conditioned upon (i) Seller, or a representative or agent designated by Seller, having the right to be present on the Property with Purchaser or its representatives at the time or times that Purchaser is on or about the Property, (ii) Purchaser complying with Seller's security requirements, and (iii) Purchaser not unreasonably interfering with Seller's business operations at the Property. Purchaser shall make appropriate arrangements with Seller for access in each instance and shall give Seller not less than one (1) business day's prior notice of the dates and times at which Purchaser desires to enter the Property.

~~100% of the cost of such repairs.~~ (b) ~~Except as otherwise authorized in writing by Seller, Purchaser shall have~~ no right to alter the Property in any way or to damage the Property in any respect in connection with its inspections. In the event that the transaction contemplated in this Agreement does not close for any reason other than a default by Seller, Purchaser shall restore any portion of the Property affected by such inspections to its original condition, at Purchaser's sole expense. Purchaser hereby agrees to indemnify and hold Seller absolutely harmless from and against any and all claims, demands, actions, suits, judgments, liabilities, costs and expenses, including reasonable attorneys' fees (such fees also to include those in connection with all post-judgment and appellate proceedings), for injury to persons and physical damage to property related to or arising from, directly or indirectly, Purchaser's entry upon the Property and/or the performance (by Purchaser or its duly authorized employees, agents, engineers or other representatives) of the General Feasibility Review, including without limitation any lien asserted against the Property arising as a result of any such inspections or tests made by or at the direction of Purchaser. The obligations of this subsection (b) shall survive the termination of this Agreement or the Closing.

(c) Seller is aware that Purchaser is a Wisconsin governmental entity subject to open meetings and public records laws. Under Wisconsin law, Purchaser may withhold access to any record or portion of a record containing information qualifying as a trade secret as defined in s. 134.90 (1) (c), Wis. Stats. To the extent that Seller identifies, in writing to Purchaser, any record or portion of a record as a "trade secret" Purchaser agrees to keep such records confidential ("**Confidential Information**"). Seller agrees to indemnify and hold harmless Purchaser from and against any and all claims, demands, actions, suits, judgments, liabilities, costs and expenses, including reasonable attorneys' fees (such fees also to include those in connection with all post-judgment and appellate proceedings), for injury and damages related to or arising from, directly or indirectly, Purchaser's withholding of any record or portion of a record Seller identifies in writing as a trade secret.

(d) In view of the difficulties of placing a monetary value on the Confidential Information, it is agreed and understood that in the event of any breach or threatened breach of Section 7(c) by Purchaser, its employees, agents, engineers and other representatives or any third parties under the control of Purchaser, Seller shall be entitled to injunctive and other equitable relief in any court of competent jurisdiction.

(e) Purchaser at its sole expense, shall obtain and maintain prior to entering the Property, and shall cause any of its independent consultants (other than agencies of the City of Menasha) ("Consultants") to obtain and maintain prior to entering the Property, from a financially sound insurance company or companies reasonably acceptable to Seller, policies of insurance for the following types of coverage and with limits of liability not less than the minimum amounts set forth below.

(i) commercial general liability insurance with limits of not less than \$3,000,000 combined single limit, which may be arranged through a combination of primary and excess policies if necessary, for claims of bodily injury and/or property damage, written on an "occurrence" basis and including coverage for personal injury liability, products and completed operations, independent contractors, blanket broad form contractual liability, and explosion, collapse, and underground hazards;

(ii) workers' compensation and occupational disease insurance with statutory limits and employers' liability insurance with limits of not less than \$500,000;

(iii) errors and omissions insurance with limits of not less than \$2,000,000 combined single limit written on a "claims made" basis; and

(iv) pollution liability insurance with limits of not less than \$2,000,000 combined single limit, written on a "claims made" basis; and including coverage for asbestos liability environmental site investigations, and cutting and drilling.

(f) Notwithstanding the foregoing, Purchaser and any agencies of the City of Menasha shall not be required to obtain and maintain policies of insurance for the types of coverage set forth in subsections (ii) through (iv) above, but the Consultants shall be required to do so. Prior to entering the Property, Purchaser or the Consultants, whichever of them is then entering the Property, shall provide Seller with a certificate(s) of insurance evidencing that the foregoing policies of insurance have been obtained and are in full force and effect and, except for Purchaser's and the Consultant's workers' compensation insurance coverage and the engineer's errors and omissions and pollution liability insurance coverage, that Seller has been named an additional insured under said policies. Said certificate(s) shall also show the expiration date of each policy and provide that Seller shall be given at least ten (10) days' prior written notice of any cancellation or material modification thereof. Neither the purchase of any policy of insurance nor the furnishing of evidence thereof to Seller pursuant hereto shall relieve Purchaser of its indemnification obligations hereunder provided in Section 7(b).

8. Closing. Closing of the transaction contemplated hereby ("Closing") shall be through an escrow (the "Closing Escrow") established with the Title Insurer as escrowee. The Closing Escrow instructions shall be in the form reasonably acceptable to Seller, Purchaser and the Title Insurer with respect to deed and money escrows, with such special provisions as may be required (i) to conform to the provisions of this Agreement, and (ii) if available, to provide for immediate disbursement of funds to Seller upon the delivery of the Title Policy (as defined

below) to Purchaser (an "Escrow Style" closing). Seller and Purchaser hereby agree to provide such undertakings ("GAP Undertakings") as may be required by the Title Insurer for the Closing and issuance of the Title Policy. The Closing Escrow shall be auxiliary to this Agreement, and this Agreement shall not be merged into, nor in any manner superseded by, the Closing Escrow. The Closing Escrow costs and fees, including any fee for the Escrow Style closing, shall be equally divided between Purchaser and Seller.

9. Closing Date. Closing shall be held on or before fifteen (15) days following the later of the expiration of (i) the Feasibility Review Period, (ii) the Title Review Period, and (iii) the Purchaser Environmental Review Period (the "Closing Date"), at such time as shall be mutually agreeable to the parties hereto.

10. Title Policy. Seller shall cooperate reasonably with Purchaser in causing the Title Insurer to issue, or to be irrevocably committed to issue, to Purchaser an ALTA Owner's title policy at Closing, subject only to the Permitted Exceptions and in the amount of the Purchase Price or such other value as determined by Purchaser and acceptable to the Title Insurer (the "Title Policy").

11. Closing Adjustments. All installments of assessments and utility charges which are due and payable as of Closing shall be paid by Seller. General and special real estate taxes, utilities charges and installments of assessments not due and payable as of the Closing (the "Proratable Items") shall be prorated and adjusted ratably between Seller and Purchaser as of Closing. If the amount of any Proratable Item is not ascertainable at Closing, the adjustment thereof shall be on the basis of the most recently ascertainable bill therefor. Such prorations are to be the final allocation between the parties and are not to be readjusted.

12. Seller's Closing Deliveries. On or prior to the Closing Date, Seller shall deposit the following into the Closing Escrow:

- (a) The Deed subject to the Permitted Exceptions;
- (b) Seller's executed affidavit as required by the Foreign Investments in Real Property Transfer Act;
- (c) Seller's executed ALTA statement, Owner's Affidavit or similar statement which may be required by the Title Insurer; payment of the price of any extended coverage endorsement (if necessary to have the standard ALTA Owner's title policy exceptions insured against) to the Title Policy; provided, however, Seller shall not be obligated to expend more than \$3,000 to secure such extended coverage endorsement to the extent it is required to provide such endorsement hereunder;
- (d) Seller's executed GAP Undertaking or equivalent which may be required by the Title Insurer;
- (e) Seller's executed counterpart of the bill of sale with respect to any personal property located on the Property at the time of Closing (the "Bill of Sale");

(f) All keys and all other items necessary to access the Property or items thereon;

(g) Seller's executed counterpart of any applicable state, county or local realty transfer tax declarations;

(h) Seller's executed counterpart of an agreed proration statement and settlement statement; and

(i) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Title Insurer to fully effect and consummate the transactions contemplated hereby.

13. Purchaser's Closing Deliveries. On or prior to the Closing Date, Purchaser shall deposit the following into the Closing Escrow:

(a) The balance of the Purchase Price, by, at Seller's option, either cashier's check or wire transfer of immediately available funds;

(b) Purchaser's executed counterpart of the Bill of Sale;

(c) Purchaser's executed counterpart of any applicable state, county or local realty transfer tax declarations;

(d) Purchaser's executed counterpart of an agreed proration statement and settlement statement; and

(e) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Title Insurer to fully effect and consummate the transactions contemplated hereby.

14. Closing Costs. Seller shall be responsible for payment of (i) one half (1/2) of the Closing Escrow costs and fees; (ii) any applicable transfer taxes and deed stamp fees; (iii) the cost of affirmative endorsements insuring over Unpermitted Exceptions pursuant to Section 3(c) above, not to exceed \$3,000 in the aggregate, and (iv) extended coverage endorsement (if necessary to have the standard ALTA Owner's title policy exceptions insured against) to the Title Policy, not to exceed \$3,000, and (v) recording fees for the Deed and release of any mortgages or other title encumbrances which Seller elects to cure pursuant to Section 3(c) of this Agreement. Purchaser shall be responsible for the payment of (t) Seller's out-of-pocket costs incurred in connection with the Environmental Review not to exceed \$30,000.00, (u) title expenses, including, but not limited to, the cost of the Commitment and the Title Policy, (v) the cost of affirmative endorsements insuring over Unpermitted Exceptions pursuant to Section 3(c) above, in excess of \$3,000, (w) the cost of the extended coverage endorsement (if necessary to have the standard ALTA Owner's title policy exceptions insured against) to the Title Policy in excess of \$3,000, (x) the cost of the Survey, (y) one half (1/2) of the Closing Escrow costs and fees; and (z) any other recording fees. Each party shall be responsible for payment of its own legal fees in connection with this Agreement.

15. Default.

(a) In the event of a default by Seller hereunder which Seller fails to cure within ten (10) days after receipt of written notice thereof from Purchaser, Purchaser shall be entitled to either (i) terminate this Agreement by written notice to Seller and neither party shall have any further rights, obligations, or liabilities hereunder, or (ii) enforce Seller's obligations hereunder by a suit for specific performance, in which event Purchaser shall be entitled to such injunctive relief as may be necessary to prevent Seller's disposition of the Property pending final judgment in such suit.

(b) In the event of a default by Purchaser hereunder which Purchaser fails to cure within ten (10) days after receipt of written notice thereof from Seller, Seller shall be entitled to either (i) terminate this Agreement by written notice to Purchaser, and neither party shall have any further rights, obligations, or liabilities hereunder, or (ii) enforce Purchaser's obligations hereunder by a suit for specific performance. Nothing contained herein shall be deemed to limit or restrict Seller's remedies against Purchaser for its failure to perform any covenant or agreement made by Purchaser hereunder which expressly survives Closing, including, without limitation, those obligations of Purchaser pursuant to Section 6(d) or 6(e) of this Agreement (for which breach Seller shall retain all remedies at law or in equity, including, without limitation, specific performance) or in any way limit the indemnification obligations of Seller hereunder irrespective of whether Closing occurs hereunder.

16. Condemnation. If, after the Effective Date and prior to Closing, all or any material portion of the Property is taken by exercise of the power of eminent domain or any proceedings are instituted to effect such a taking, Seller shall promptly give Purchaser notice of such occurrence, and if Purchaser reasonably determines that any such partial taking would hinder or result in the Property being unsuitable for Purchaser's intended use thereof, Purchaser may, within fourteen (14) days after receipt of such notice, elect to either (a) terminate this Agreement in which event the Deposit shall be immediately returned to Purchaser and all obligations of the parties hereunder shall cease and this Agreement shall have no further force and effect, except for those indemnity provisions of Section 7(b), or (b) close the transaction contemplated hereby as scheduled (except that if the Closing Date is less than fourteen (14) days following Purchaser's receipt of such notice, Closing shall be delayed until Purchaser makes such election), in which event Seller shall assign and/or pay to Purchaser at Closing all condemnation awards or other damages collected or claimed with respect to such taking.

17. Damage and Destruction. If, after the date of this Agreement and prior to the Closing Date, any building on the Property shall be destroyed or materially damaged by fire or other casualty not caused by Purchaser's negligence or acts, Seller shall promptly give Purchaser notice of such occurrence, and if Purchaser reasonably determines that any such damage or destruction would hinder or result in the Property being unsuitable for Purchaser's intended use thereof, Purchaser may, within fourteen (14) days after such notice, elect to either (a) terminate this Agreement, in which event the Deposit shall be promptly returned to Purchaser and neither party shall have any rights, obligations, or liabilities to the other hereunder except as explicitly set forth herein, or (b) close the transaction contemplated hereby as scheduled (except that if the Closing Date is less than fourteen (14) days following Purchaser's receipt of such notice, the

Closing shall be delayed until Purchaser makes such election), in which event Seller shall assign and/or pay to Purchaser at Closing all insurance awards collected or owed to Seller with respect to such damage or destruction.

18. Condition of the Property; Representations and Warranties:

(a) Except as otherwise provided in Section 18(c) below, Purchaser acknowledges and agrees that neither Seller nor any agent, employee, attorney, or representative of Seller has made any statements, agreements, promises, assurances, representations, or warranties, whether express, implied, or otherwise, regarding Seller, the condition of the Property, the suitability of the Property for any uses or purposes contemplated by Purchaser, the zoning of the Property, the right to occupy the Property, the environmental condition of the Property, the state of title to the Property and/or any other aspect of or matter pertaining to the Property or any other fact or matter whatsoever, whether pertaining to Seller, the Property, or otherwise. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT (I) IT WILL HAVE FULLY EXAMINED AND INVESTIGATED TO ITS FULL SATISFACTION, AS OF CLOSING, THE PHYSICAL NATURE AND CONDITION OF THE PROPERTY AND ALL ASPECTS THEREOF, INCLUDING, WITHOUT LIMITATION, THE ENVIRONMENTAL CONDITION OF THE PROPERTY AND SURROUNDING PROPERTIES, (II) IT SHALL ACQUIRE THE PROPERTY IN AN "AS IS, WHERE IS" CONDITION AS OF THE CLOSING DATE, (III) SELLER SHALL NOT BE RESPONSIBLE FOR MAKING (OR CONTRIBUTING IN ANY WAY TO THE COST OF MAKING) CHANGES OR IMPROVEMENTS TO THE PROPERTY, OR ANY OTHER ASPECT OF OR MATTER PERTAINING TO THE PROPERTY, AND (IV) EXCEPT AS OTHERWISE PROVIDED IN SECTION 18(C) BELOW IN EXECUTING, DELIVERING, AND PERFORMING ITS OBLIGATIONS UNDER THIS AGREEMENT, PURCHASER HAS NOT RELIED UPON ANY STATEMENT, PROMISE, REPRESENTATION, OR WARRANTY TO WHOMSOEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY, OR IN WRITING, BY ANY PERSON OR ENTITY. PURCHASER EXPRESSLY WAIVES ANY RIGHT OF RESCISSION AND ALL CLAIMS FOR DAMAGES ARISING IN CONNECTION WITH THE PROPERTY BY REASON OF ANY STATEMENT, REPRESENTATION, WARRANTY, ASSURANCE, PROMISE, OR AGREEMENT, IF ANY, UNLESS EXPRESSLY CONTAINED IN THIS AGREEMENT. THE PROVISIONS SET FORTH IN THIS SECTION 18(A) SHALL SURVIVE THE CLOSING OF THE TRANSACTION CONTEMPLATED UNDER THIS AGREEMENT.

(b) Purchaser hereby makes the following representation, which is true and shall be true on the Closing Date in all material respects: Purchaser has full power and authority to enter into this Agreement and to perform all the obligations of Purchaser hereunder and no further consent or approval is required in order for this Agreement to constitute a legal, valid and binding obligation of Purchaser.

(c) Seller hereby makes the following representations, each of which is true and shall be true on the Closing Date in all material respects:

(i) Seller has full power and authority to enter into this Agreement and to perform all the obligations of Seller hereunder and no further consent or approval is required in order for this Agreement to constitute a legal, valid and binding obligation of Seller;

(ii) Seller has disclosed all environmental reports and written notices regarding environmental matters pertaining to the Property, that are in Seller's possession and control, and reasonably accessible to Seller; and

(iii) Seller is not a foreign person, as that term is defined under Section 1445 of the Internal Revenue Code, and at Closing, Seller shall provide Purchaser with an affidavit, in customary form, establishing that Purchaser is not required to withhold any portion of Seller's proceeds.

(d) Seller represents and warrants that it or its affiliate which owns the Property shall operate and manage the Property from and after the Effective Date of this Agreement in a manner substantially similar as the Property has been operated and managed heretofore.

19. Release.

(a) From and after the Closing Date, Purchaser assumes any and all obligations and liabilities whatsoever arising with respect to (i) the correction of any violation or claimed violation of any law, statute, ordinance or regulation relative to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property, or transportation to or from the Property of any Hazardous Substances, or the condition of the Property, (ii) the risk that adverse physical environment conditions may not have been revealed by the Environmental Review or, (iii) any and all obligations or liabilities to third parties (including, without limitation, governmental entities and agencies) arising out of activities at the Property, provided, however, for the avoidance of doubt, such obligations or liabilities shall not include Seller's liability to its employees or contractors for work-place injuries arising from Seller's operations on the Property prior to the Closing Date and Seller's liability pursuant to the Comprehensive Environmental Responsibility, Compensation and Liability Act of 1980 or the Federal Solid Waste Disposal Act (also known as the Resource Conservation and Recovery Act) for materials generated by Seller and transported by Seller from the Property to any off-site location prior to the Closing Date, and (iv) any requirements relating to the protection of the environment, human health or natural resources imposed by the regulations of any governmental authority with jurisdiction over the Property, including, but not limited to, the Wisconsin Department of Natural Resources, including asbestos abatement and all environmental issues (the "**Purchaser Environmental Obligations**"). For avoidance of doubt, this Section 19(a) is not intended to impose upon Purchaser any independent indemnification obligations for the benefit of Seller apart from Section 19(d) below

(b) Purchaser also agrees to waive any and all claims it may have against Seller under Comprehensive Environmental Response, Compensation, Liability Act of

1980, as amended, the Response Conservation and Recovery Act, or any other federal, state or local law, whether statutory or common law, ordinance or regulation pertaining to the release of Hazardous Substances to the environment from or at the Property (the "Environmental Release Laws").

(c) Purchaser hereby waives, releases, remises, acquits and forever discharges, Seller and its directors, officers, trustees, members, employees and agents and their respective heirs, successors, personal representatives and assigns, none of whom admit any liability, of and from any and all claims, demands, damages, actions, legal or administrative proceedings, causes of actions or suits of any kind or nature, at law or in equity (collectively, the "Losses"), known or unknown, which it or they ever had, now has, hereafter can, shall or may have or acquire or possess, or in any way connected with, ~~based upon, or arising out of the condition, status, quality, nature, contamination or~~ environmental state of the Property, including, without limitation, the Environmental Release Laws or any Purchaser Environmental Obligations (whether asserted against Purchaser by a third party, governmental agency or otherwise).

(d) Purchaser agrees to indemnify and hold Seller harmless from and against any such Loss connected to, based upon, or arising out of:

(i) Purchaser's (including any of its successors and/or assigns) breach of its obligations pursuant to Section 6(d) of this Agreement;

(ii) any condition, status, quality, nature, contamination or environmental state of the Property caused or exacerbated by Purchaser following Closing; and

(iii) any condition, status, quality, nature, contamination or environmental state of the Property not identified in the Environmental Review or Remediation Proposal, otherwise unknown to Purchaser as of the Closing Date and not otherwise subject to the provisions of Section 6(d), Section 7(b), Section 19(c)(i) or Section 19(c)(ii), provided, however, in no event shall the amount owed by Purchaser to Seller pursuant this Section 19(c)(iii) exceed \$250,000 in the aggregate (the "**Indemnity Cap**").

For the avoidance of doubt, Sections 6(d), 7(b), 19(c)(i) and 19(c)(ii) are not subject to the Indemnity Cap.

(e) For the purposes of this Agreement, the term "Hazardous Substances" shall mean any materials, wastes or substances defined or classified as hazardous or toxic under any existing or future federal, state or local law, ordinance or regulation due to such substance's harmful or potentially harmful effect upon health, safety or the environment. The provisions set forth in this Section 19 shall survive Closing under this Agreement.

20. Notices. All notices or other communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be personally delivered, sent by certified or registered mail, return receipt requested, or sent by a reputable national overnight

delivery service. Such notices shall be deemed properly given and received upon the earlier of receipt or refusal to accept receipt and shall be sent to the following addresses:

Notices to Seller:

R.R. Donnelley & Sons Company
Attn: Director, Real Estate
35 W. Wacker Drive, 35th floor
Phone: 312-326-8030
Chicago, IL 60601

With copy to:

Jones Day
17 West Wacker, Suite 3500
Chicago, Illinois 60601
Attention: Brian L. Sedlak, Esq.

Notices to Purchaser:

Redevelopment Authority for the City of Menasha
140 Main Street
Menasha, Wisconsin 54952
Attention: Ms. Pamela Captain

Each party shall have the right to designate other or additional addresses or addressees for the delivery of notices, by giving notice of the same to the other party hereto (such other or additional addresses or addressees being effective from and after the date of receipt of notice of the same by the other party.)

21. Brokers. Seller and Purchaser each represent and warrant to the other that it has not dealt with any agents, brokers or finders in connection with the transaction covered by this Agreement. Each of the parties hereto agrees to indemnify and hold the other harmless from and against any claims, actions, liabilities, costs and expenses with respect to any brokerage commission or finder's fee asserted by a person, firm or corporation claiming to have been engaged by, through or under the indemnifying party. Seller and Purchaser hereby acknowledge that the foregoing representation and warranty shall survive the Closing.

22. Assignability. Neither this Agreement nor the rights of Purchaser under this Agreement may be assigned or transferred, in whole or in part, to any other party without the prior written consent of Seller, which consent may be withheld for any reason or for no reason.

23. Captions For Convenience. All headings and captions used in this Agreement are for convenience only and are of no meaning in the interpretation or effect of this Agreement.

24. Applicable Law. This Agreement shall be interpreted and enforced according to the laws of the state of Wisconsin. RDA does not waive any governmental immunities or other statutory protections afforded to it pursuant to Wisconsin or other laws except to the extent the terms of this Agreement expressly conflict with such immunities and/or statutory protections.

25. No Waivers. Any waiver of a breach of any provision contained in this Agreement must be in writing. No waiver of any breach shall be deemed a waiver of any preceding or succeeding breach, nor of any other breach of a provision contained in this Agreement.

26. Construction. Seller and Purchaser hereby acknowledge that both parties participated equally in the negotiation of this Agreement and that no court construing this Agreement shall construe it more stringently against one party than against the other, regardless of which party's counsel drafted this Agreement.

27. Time Of The Essence. Time is of the essence with respect to performance required under this Agreement.

28. Entire Agreement. This Agreement and the attached exhibits represent the entire understanding between the parties with respect to the subject matter of this Agreement, and all prior agreements and understandings between the parties with respect to the subject matter of this Agreement shall be deemed merged in to and superseded by this Agreement.

29. No Oral Amendment Or Modification. No amendments, waivers, or modifications of this Agreement shall be made or deemed to have been made unless in writing executed by both Seller and Purchaser.

30. Authority. Purchaser represents and warrants that it has received and obtained all necessary municipal and governmental approvals and authorizations required to, if Purchaser so elects pursuant to the terms hereof, proceed to Closing hereunder.

31. Non-Business Days. If the Closing Date or the date for delivery of a notice or performance of some other obligation of a party falls on a Saturday, Sunday or legal holiday in the state in which the Property is located, then the Closing Date or such notice or performance shall be postponed until the next business day.

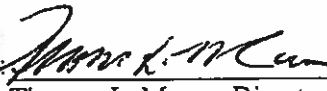
32. Email/Facsimile Signatures: Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all such counterparts shall be deemed to constitute one and the same instrument. Signatures on this Agreement may be communicated by email or facsimile transmission and shall be binding upon the parties transmitting the same by email or facsimile transmission.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
as of the day and year written above.

SELLER:

R.R. DONNELLEY & SONS COMPANY, a
Delaware corporation

By: 
Thomas L. Moran, Director, Real Estate

PURCHASER:

REDEVELOPMENT AUTHORITY FOR THE
CITY OF MENASHA, WISCONSIN

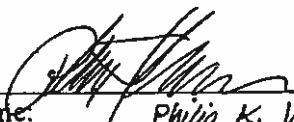
By: 
Name: Philip K. VANDERHYDEN Jr.
Title: CHAIRMAN

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

[TAX PARCEL ID: 3-00548-00]¹

¹ Legal description to be confirmed upon receipt of Commitment and Survey.

Limited Site Investigation Report

LSC Communications
460 & 477 Ahnaip Street
Menasha, Wisconsin
August 3, 2017
Terracon Project No. 58167211



Prepared for:
LSC Communications
Hilton Head Island, South Carolina

Prepared by:
Terracon Consultants, Inc.
Franklin, Wisconsin

Offices Nationwide
Employee-Owned

Established in 1965
terracon.com

Terracon

Geotechnical ■ Environmental ■ Construction Materials ■ Facilities

August 3, 2017



LSC Communications
95 Jarvis Creek Lane
Hilton Head Island, South Carolina 29926

Attention: Mr. Alan H. Carter
Phone: (864) 612-9709
Email: alan.carter@lscocom.com


RE: **Limited Site Investigation Report**
LSC Communications
460 & 477 Ahnaip Street
Menasha, Winnebago County, Wisconsin
Terracon Project No. 58167211


Dear Mr. Carter:

At your request, Terracon Consultants, Inc. (Terracon) has completed a Limited Site Investigation (LSI) at the above-referenced property. This investigation was performed in general accordance with Terracon's scope of services detailed in Terracon Proposal No. P58167211R dated March 30, 2017.

Terracon appreciates the opportunity to provide these services for you. If you have any questions or comments regarding our report, please contact us at (414) 423-0255.

Sincerely,


Timothy P. Welch, P.G.
Department Manager-Environmental

 For
Blaine R. Schroyer, P.E.
Principal/Office Manager

TPW\AJL\BRS:tpw\N:\Projects\2016\58167211\Project Documents\58167211_LSC Communications-Menasha, WI_LSI Report_8.3.17.docx

Terracon Consultants, Inc. 9856 South 57th Street Franklin, Wisconsin 53132
P [414] 423 0255 F [414] 423 0566 terracon.com

Geotechnical

Environmental

Construction Materials

Facilities

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APPENDICES

Appendix A - Exhibits

Appendix B- Excavation Permit, Soil Boring Logs, Monitoring Well Construction Forms, Monitoring Well Development Forms, and Groundwater Monitoring Well Information Form

Appendix C - Photographic Log

Appendix D - Tables

Appendix E - Laboratory Analytical Reports, Chain of Custody Documentation, and Groundwater Sampling Information Sheets

Appendix F – Investigative Derived Waste Disposal Documentation

**LIMITED SITE INVESTIGATION REPORT
LSC COMMUNICATIONS
460 & 477 AHNAIP STREET
MENASHA, WISCONSIN**

**TERRACON PROJECT NO. 58167211
AUGUST 3, 2017**

1.0 INTRODUCTION

Terracon Consultants, Inc. (Terracon) completed a Limited Site Investigation (LSI) at the LSC Communications site located at 460 & 477 Ahnaip Street, Menasha, Wisconsin (Exhibit 1, Appendix A). Terracon performed the LSI to evaluate the potential for subsurface contamination related to recognized environmental conditions (RECs) identified in our September 13, 2016 Phase I Environmental Site Assessment (ESA).

1.1 Background Information

As detailed in the Phase I ESA report, the site is located at 460 Ahnaip Street and 477 Ahnaip Street, Menasha, Winnebago County, Wisconsin. The site consists of five parcels located on the north and south side of Ahnaip Road. The parcels total approximately 7.22 acres. Of the parcels, only one parcel (Parcel A) is improved with a building, the former 'RR Donnelley Book Plant' facility. Additional improvements of Parcel A include the west parking lot (former location of the Island Paper Company Paper Mill that was demolished prior to 1948), which includes a greenspace adjoining the Fox River (for public access). Parcel B is identified as the peninsula parcel which extends south to north under the Racine Street Bridge and is a vacant vegetated area with some asphalt-covered areas. Parcel C is identified as the corner lot, located south of Parcel A and is small lot occupied by a City of Menasha sign. Parcels D and E are an asphalt-paved parking lot identified as the east parking lot (former employee parking lot). The on-site facility was reportedly constructed in phases between 1911 and 1994. The facility was originally constructed by the George Banta Publishing Group (ultimately known as Banta Corp.) and has been in continuous use as a publishing facility since its original construction. The facility was purchased by RR Donnelley in 2007. The plant ceased operation in 2011. The former factory is a vacant.

Based on a review of the historical information, the west/northwest portion of Parcel A of the site was occupied by a paper and sulphite mill from approximately 1887 until 1942. The south/east portion of Parcel A was originally constructed with the first buildings of the present-day printing facility in 1911. Several specific features of concern were noted on the Sanborn maps including: oil and gasoline tanks (various time frames), lime tanks and Sulphur storage, associated with the sulphite, an acid plant and associated acid tanks in conjunction with the paper mill, and storage

Limited Site Investigation Report

LSC Communications ■ Menasha, Wisconsin

August 3, 2017 ■ Terracon Project No. 58167211



of adhesives, oils, and solvents in the printing plant and the location of a fuel oil tank and ink storage area in the plant. In addition, the aerial photographs and Sanborn maps appear to show areas of the northern portion of the site and the peninsula have been filled. The south-southwest adjoining property was identified as the Gilbert Paper Company from 1894-2010. These operations and features typically include the use of petroleum products and/or hazardous chemicals.

The following RECs were identified in connection with the site:

- The historic use of the west-northwest portion of Parcel A of the site for paper mill operations between approximately 1877 and 1942 is considered a REC.
- The historic operations associated with the printing/publishing facility that has operated on the south portion of Parcel A since 1911 is considered a REC.
- Review of aerial photographs and Sanborn maps appear to show areas of the west-northwest portion of the site and the peninsula have been filled. The presence of fill from an unknown source is considered a REC.
- Residual contamination associated with the removal of two solvent underground storage tanks (USTs) at the site in 1989 is considered a REC as groundwater and vapor intrusion were not investigated at that time.
- The likely presence of undocumented fill on the western portion of the site is considered a REC.
- A leaking underground storage tank (LUST) investigation associated with the adjoining Gilbert Paper Company included borings on the subject site, which identified diesel range organics (DRO) at a concentration of 26 parts per million (ppm). The case was closed on October 12, 1995. At the time the LUST case was closed, residual contamination was present on the site. Therefore, the closed LUST case is considered a controlled REC (CREC). If the impacted soil is disturbed, it must be properly managed.

1.2 Standard of Care

Terracon's services were performed in a manner consistent with generally accepted practices of the profession undertaken in similar studies in the same geographical area during the same time period. Please note that Terracon does not warrant the work of laboratories, regulatory agencies or other third parties supplying information used in the preparation of the report. These services were performed in accordance with the scope of work agreed with you, our client, as reflected in our proposal.

1.3 Additional Scope Limitations

Findings, conclusions, and recommendations resulting from these services are based upon information derived from the on-site activities and other services performed under this scope of work; such information is subject to change over time. Certain indicators of the presence of hazardous substances, petroleum products, or other constituents may have been latent, inaccessible, unobservable, non-detectable, or not present during these services, and we cannot represent that the Site contains no hazardous substances, toxic materials, petroleum products, or other latent conditions beyond those identified during this investigation. Subsurface conditions may vary from those encountered at specific borings or wells or during other surveys, tests, assessments, investigations or exploratory services; the data, interpretations, findings, and our recommendations are based solely upon data obtained at the time and within the scope of these services.

1.4 Reliance

This report is prepared for the exclusive use and reliance of LSC Communications. Use or reliance by any other party is prohibited without the written authorization of LSC Communications and Terracon Consultants, Inc. Reliance on this report by the client and all authorized parties will be subject to the terms, conditions and limitations stated in the proposal, the report, and Terracon's Agreement for Services. The limitation of liability defined in the Agreement for Services is the aggregate limit of Terracon's liability to the client and all relying parties.

2.0 FIELD ACTIVITIES

2.1 Health and Safety

Terracon is committed to the safety of all its employees. As such, and in accordance with our *Incident and Injury Free®* safety goals, Terracon prepared a site safety plan to be used by our personnel during field services. Prior to commencement of each phase of on-site activities, Terracon held a brief health and safety meeting to review health and safety needs for this specific project. A United States Environmental Protection Agency (USEPA) Level D work uniform consisting of hard hats, safety glasses, protective gloves, and steel toed boots was sufficient to perform the field activities.

Diggers Hotline was contacted to locate utilities in the work area prior to the April 2017 drilling activities. A private utility locate was also performed to mark on-site utilities not marked by Diggers Hotline. In addition, available site personnel were consulted to help determine utility locations.

Prior to drilling, the City of Menasha issued an excavation permit to drill soil borings P-10/MW-10 and P-11/MW-11 in the Ahnaip Street right-of-way. A copy of the permit is included in Appendix B.

2.1 Soil Sampling

From April 25-27, 2017, Terracon supervised Horizon Construction and Exploration (Horizon) during installation of 11 direct-push borings soil borings (P-1 through P-11), which were subsequently converted to NR 141, WAC compliant groundwater monitoring wells using hollow stem augers. The direct-push borings were advanced to a depths ranging from 10 feet to 20 feet below ground surface (bgs) based on refusal. Sampler refusal occurred at soil borings P-1, P-2, P-5, P-6, P-7, and P-11, presumably on bedrock.

Soil samples were collected continuously using a 4-foot long, 2-inch diameter core barrel sampler that was equipped with disposable acetate liners. Drilling equipment was decontaminated before and between uses at each boring location using a high pressure washer. Soil samples were screened using a photoionization detector (PID) (RAE Systems, MiniRAE 3000), equipped with a 10.6 electron volt (e.V.) lamp, to detect the presence of volatile organic compounds (VOCs). The PID was calibrated according to the manufacturer's instructions using isobutylene gas at a concentration of 100 parts per million volume (ppmv) prior to beginning the investigation.

Soil borings P-1 through P-6 were located on the peninsula, and soil borings P-7 through P-11 were located around the building between the canal and Racine/Ahnaip Streets. Soil borings P-1 and P-2 were located where undocumented fill was placed, and soil borings P-3 and P-4 are located near where oil storage occurred. Soil boring P-5 is located near where acid tanks were located. Soil boring P-6 is located near where sulfur and petroleum storage occurred. Soil boring P-7 is located near the intersection of Ahnaip and Racine Streets, where painting operations and a former UST were present. Soil borings P-8 and P-9 are located on the northern side of the building near where several operations involving solvents, inks, paint, oils, and adhesives occurred in the basement of the building. Soil borings P-10 and P-11 are located on the southern side of the building along Ahnaip Street, where two solvent USTs were removed in 1989. A Site Diagram, depicting the soil boring locations, is presented as Exhibit 2, Appendix A.

After basement floor inspection, installation of soil borings P-8 and P-9, and consultation with LSC personnel with respect to basement groundwater intrusion, the two proposed hand auger (HA-1 and HA-2) borings were not installed. Upon further inspection of the basement floor, it was noted that a worn, protective seal was placed on the floor to minimize slab wear and tear from forklift traffic, and there was no evidence of staining, cracks in the concrete, patching, etc., which may be indicative of a potential release and/or a migration pathway for historical releases in the basement.

The surficial material consisted of asphalt or concrete at soil borings P-1, P-6, P-7, P-8, and P-9. Topsoil was present at soil borings P-2 through P-5 and at soil borings P-10 and P-11. The surficial soils/asphalt for the six borings advanced on the peninsula (P-1 through P-6) were underlain with some clay and silt, but primarily with silty sands and gravel to boring refusal at 13-15 feet bgs, on what is presumed to be bedrock. Difficult drilling was encountered in the soil

borings surrounding the building (P-7 through P-11). The surface materials were primarily underlain by silty clay to boring termination depths. Multiple attempts were made to install soil boring P-7, and the boring was terminated at 10 foot bgs on what is presumed bedrock. The soil samples collected from soil boring P-11 exhibited PID readings ranging from 1 ppmv to 780 ppmv, with the higher readings in the 2 to 6 feet bgs interval. Soil samples from that interval also exhibited odors. Detailed soil descriptions and PID readings are presented on the soil boring logs included in Appendix C. Select photographs taken during the LSI are included in Appendix D.

At soil boring locations P-1 through P-9 and P-11, one soil sample was selected for analysis from the upper four feet at the depth with the highest PID reading or immediately below the topsoil, surface gravel, or aggregate, if PID readings were not elevated. A second sample was collected from below four feet from the depths with the highest PID readings (where applicable) or from immediately above the water table. Only one shallow soil sample was submitted at soil boring P-2 because saturated soil indicative of the soil-groundwater interface was encountered at 1.5 feet bgs. As proposed, soil samples were not submitted for laboratory analysis from soil boring P-10, but after consulting with LSC, soil samples were collected from soil boring P-11 because of the elevated PID readings and odors.

Soil samples from soil borings P-1 through P-9 and P-11 were submitted for laboratory analysis of VOCs by United States Environmental Protection Agency (USEPA) Method 8260B. All samples (with the exception of those from soil boring P-11) were also submitted for laboratory analysis of lead by USEPA Method 6010. Also, soil samples from P-1 through P-6 were submitted for laboratory analysis for PCBs by USEPA Method 8082. Soil samples from soil borings P-1 through P-9 were submitted for laboratory analysis of diesel range organics (DRO) by Wisconsin Modified laboratory analysis. The DRO analysis was used as a screening tool for heavier weight petroleum compounds. DRO was detected at elevated concentrations in soil samples P-2 (1') and P-9 (2'); therefore, these soil samples were subsequently analyzed for polycyclic aromatic hydrocarbons (PAHs) by USEPA Method 8270. The soil samples were collected in laboratory-supplied containers, preserved as necessary, placed into an iced cooler to cool to approximately 4 degrees Celsius (°C), and transported under chain-of-custody protocol to a Wisconsin-certified laboratory.

2.2 Groundwater Monitoring Well Installation

Upon completion of soil sampling, 11 groundwater monitoring wells (MW-1 through MW-11) were constructed using hollow stem augers at the 11 direct-push boring locations (P-1 through P-11) in accordance with NR 141, WAC. The groundwater monitoring wells were constructed by attaching a 10-foot length of 2-inch diameter, 0.010-inch slotted, polyvinyl chloride (PVC) well screen to a solid PVC riser pipe that extend near or above the ground surface. Well screen depth exceptions occurred at MW-7, MW-10, and MW-11. Auger refusal at MW-7 required in the installation of a 7-foot screen, and 15-foot screens were utilized to construct groundwater monitoring wells MW-10 and MW-11 based on the lack of water encountered during drilling and the importance of groundwater sample collection at these locations. A sand filter pack was placed

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around the screens to a depth of approximately one foot above the top of the screen. The remainder of the borehole was filled with bentonite to near the ground surface. Bolt-down, flush-mount well protectors were installed at ground surface at monitoring wells MW-1, MW-4, and MW-6 through MW-11 and cemented in place. Locking, above ground well protectors were installed at monitoring wells MW-2, MW-3, and MW-5 and cemented in place. Monitoring well construction forms and a Groundwater Monitoring Well Information Form are included in Appendix B.

2.3 Groundwater Monitoring Well Development and Surveying

The groundwater monitoring wells, with the exception of groundwater monitoring wells MW-10 and MW-11, were developed from April 27 through 28, 2017 generally per NR 141, WAC. Groundwater monitoring wells MW-10 and MW-11 did not immediately charge; therefore, they were allowed to recharge and were developed on May 9, 2017 per NR 141, WAC. Groundwater monitoring wells MW-1 through MW-6, which are located on the peninsula, could not be bailed dry, and were alternately surged and purged between 60 to 100 minutes, with volumes of approximately 53 to 100 gallons of water removed using a disposable bailer and placed in labeled 55-gallon drums which were staged on site pending disposal. Groundwater monitoring wells MW-7, MW-8, and MW-9, which are surround the building, were bailed dry three times between 30 to 42 minutes and volumes of approximately 8 to 22 gallons of water were removed using a disposable bailer and placed in labeled 55-gallon drums, which were staged on site pending disposal. Groundwater monitoring wells MW-10 and MW-11, located along Ahnaip Street, could not be bailed dry, and were alternately surged and purged between 15 to 20 minutes and approximately 10 gallons of water were removed using a disposable bailer and placed in labeled 55-gallon drums, which were staged on site pending disposal. Well development forms are included in Appendix B.

The elevation of the ground surface and top of well casing of each monitoring well was measured on May 9, 2017 using standard surveying techniques and referenced to an elevation of 750.00 feet National Geodetic Vertical Datum (NGVD), for the manhole rim at groundwater monitoring well MW-7.

Static water levels were measured prior to the groundwater sampling event from the surveyed reference point on each well utilizing a decontaminated electronic water-level measuring tape. Static groundwater levels are considered to be accurate within ± 0.01 ft. A summary of groundwater elevation data is provided on Table 1, Appendix D.

2.4 Groundwater Monitoring Well Sampling

On May 9 and 10, 2017, Terracon personnel returned to the site to collect groundwater samples from the 11 groundwater monitoring wells. The groundwater monitoring wells expandable caps were opened and groundwater was allowed to equilibrate prior to the measurement of down-hole static water levels. The groundwater samples were collected using low-flow sampling methods to

reduce the potential for sample turbidity. Terracon purged the monitoring wells prior to sampling using a low-flow pump and dedicated tubing. Natural attenuation field parameters such as dissolved oxygen (DO), oxidation-reduction potential (ORP), specific conductance, pH, and temperature were measured using a water quality meter with a flow-through cell until stable readings were observed for each of the parameters. Generally, a goal of 3 consecutive readings within 10% taken a minimum of 5 minutes apart during purging is indicative that groundwater in the well has stabilized. Upon stabilization, a groundwater samples were collected from the monitoring wells. Groundwater sampling information sheets are included in Appendix E.

The groundwater samples were submitted for laboratory analysis of VOCs by USEPA Method 8260B, PAHs by USEPA Method 8270, and RCRA metals by USEPA Method 6010/7471. The groundwater samples collected for metals analysis were filtered using a 0.45-micron filter as it was transferred to the sample container. Groundwater samples were collected in laboratory-supplied containers, preserved as necessary, placed in an ice chest to cool to approximately 4°C, and transferred under chain-of-custody protocol to a Wisconsin-certified laboratory for analysis. A duplicate and trip blank were also submitted for VOC laboratory analysis.

2.5 Investigation-Derived Waste Disposal

All investigation-derived wastes (IDW), soil cuttings, development water, and purge water, was containerized in labeled 55-gallon drums for temporary storage on site. On June 21, 2017, Covanta transported 12 drums of soil and six drums of water for disposal. Disposal documentation is provided in Appendix F.

3.0 RESULTS AND DISCUSSION

3.1 Hydrogeology

On May 9, 2017, static groundwater levels ranged from 3.98 (MW-2) to 12.90 (MW-10) feet below top of casing in the groundwater monitoring wells. The calculated average horizontal hydraulic gradient from the May 9, 2017 event from the wells located on the peninsula is approximately 0.004 feet per foot (ft/ft), and from the wells surrounding the building, approximately 0.005 ft/ft, predominately to the southwest. Groundwater in monitoring wells MW-10 and MW-11 did not immediately produce; therefore, the static water levels collected on May 9, 2017 may not be indicative of static water levels in these two wells. A summary of groundwater elevation data is included as Table 1, Appendix D. A groundwater contour map, based on May 9, 2017 static groundwater levels is included as Exhibit 3, Appendix A.

3.2 Soil Analytical Data

The Wisconsin Department of Natural Resources (WDNR) has established guidance for the calculation of soil residual contaminant levels (RCLs) for direct-contact exposure and the protection of groundwater. The guidance document, *Soil Residual Contaminant Level Determinations using the US EPA Regional Screening Level Web Calculator*, PUB-RR-890, dated January 2014 (using input data updated in March 2017) was used to establish RCLs and Background Threshold Values (BTVs) for the site. The WDNR has developed BTVs for a number of metals that are naturally occurring in Wisconsin soil. The BTVs provide an indication of whether detected metals may be naturally occurring or associated with a release.

Five of the 19 soil samples contained VOCs at concentrations above their laboratory analytical method detection limits (MDL). Three of the soil samples contained a VOC at a concentration above its soil to groundwater pathway RCL. Soil sample P-9(2'), collected from the fill material, contained tetrachlorethene at a concentration above its soil to groundwater pathway RCL. Soil sample P-11(3'), collected from the native soil, contained benzene, ethylbenzene, methylene chloride, and naphthalene at concentrations above their respective soil to groundwater pathway RCLs. Soil sample P-11(8'), collected from the native soil, contained benzene and methylene chloride at concentrations above their respective soil to groundwater pathway RCLs. The remaining soil samples did not contain VOCs at concentrations above soil to groundwater pathway RCLs. Ethylbenzene was also detected in soil sample P-11(3') at a concentration above its non-industrial, direct-contact RCL. The remaining soil samples did not contain VOCs at concentrations above their industrial or non-industrial, direct-contact RCLs.

DRO concentrations ranged from below the MDL to 281 parts per million (ppm). Soil samples collected from P-2 (1') and P-9 (2') contained DRO at concentrations above 100 ppm; therefore, those two samples were submitted for PAH analysis.

Both soil samples contained PAHs at concentrations above their MDLs. Soil sample P-2 (1'), collected from the shallow fill material, contained benzo(a)pyrene at a concentration above its non-industrial, direct-contact RCL. Benzo(b)fluoranthene and chrysene were detected at concentrations above their respective soil to groundwater pathway RCLs in soil sample P-2 (1'). Soil sample P-9 (2'), collected from the fill material, contained benzo(a)pyrene, benzo(b)fluoranthene, and chrysene at concentrations above their respective soil to groundwater pathway RCLs. Benzo(a)pyrene, benzo(b)fluoranthene, dibenz(a,h)anthracene, and indeno (1,2,3-cd)pyrene were detected at concentrations above their respective non-industrial, direct-contact RCLs in soil sample P-9(2').

PCBs were not detected at concentrations above their analytical MDLs in the 11 samples analyzed.

Lead concentrations ranged from 4.8 to 438 mg/kg in the 17 soil samples analyzed. Lead was detected in soil sample P-4 (3') at a concentration above its non-industrial, direct-contact RCL. Soil samples P-2 (1'), P-3 (1'), P-4 (3'), P-8 (1'), and P-9 (1') contained lead at concentrations above its soil to groundwater pathway RCL. However, only soil samples P-2 (1') and P-4 (3') contained lead at concentrations above its BTV.

The detected VOCs, DROs, PAHs, and lead laboratory analytical data results compared to RCLs is summarized in Tables 2 and 3, Appendix D. Laboratory analytical reports and the chain of custody forms are presented in Appendix E.

3.3 Groundwater Analytical Data

The WDNR has established groundwater quality standards, which are set forth in NR 140, WAC. For each regulated compound, two standards have been established, the Enforcement Standard (ES) and the Preventive Action Limit (PAL). In general, if the regulated contaminant exceeds its PAL, but is below its ES, the WDNR may require additional investigation/continued monitoring. If the regulated contaminant is above its ES, the WDNR may require additional investigation, continued monitoring, and/or remediation.

Ethylbenzene, 1,1-dichloroethane (DCA), 1,2-DCA, and cis-1,2-dichloroethene were the only VOCs detected at concentrations above MDLs. Of those, 1,2-DCA was the only VOC detected at a concentration above its NR 140, WAC, PAL, though the concentration was below its NR 140, WAC, ES.

Several PAHs were detected; however, the detected compounds did not exceed their respective NR 140, WAC, PALs.

Arsenic, barium, chromium, lead, and selenium were the only metals detected at concentrations above MDLs. Of those, arsenic was detected in groundwater monitoring wells MW-2, MW-5, MW-6, and MW-10 at concentrations above its NR 140, WAC, PAL, but below its NR 140, WAC, ES. Arsenic was detected in groundwater monitoring well MW-1 at a concentration above its NR 140, WAC, ES. Barium, chromium, lead, and selenium were not detected at concentrations above their respective NR 140, WAC, PALs. The groundwater analytical data is summarized in Table 4, Appendix D. Laboratory reports and the chain of custody forms are included in Appendix E.

4.0 SUMMARY AND RECOMMENDATIONS

Eleven direct-push soil borings were advanced during the LSI, with the subsequent submission of 19 soil samples for laboratory analysis. The direct-push borings were advanced to depths ranging from 10 feet to 20 feet bgs based on refusal, presumed to be bedrock. The surficial soils/asphalt for the six borings advanced on the peninsula (P-1 through P-6) were underlain with some clay and silt, but primarily with silty sands and gravel to boring refusal at 13-15 feet bgs, on what is presumed to be bedrock. Difficult drilling was encountered in the soil borings surrounding the building (P-7 through P-11). Around the building, the surface materials were primarily underlain by silty clay to boring termination depths.

PCBs were not detected at concentrations above their analytical MDLs in the 11 samples analyzed. Five of the 19 soil samples contained VOCs at concentrations above their MDLs; however, only benzene, ethylbenzene, methylene chloride, and naphthalene were detected (in one soil boring, P-11) at concentrations above their respective soil to groundwater RCLs. Tetrachlorethene was the only other VOC detected at a concentration above its soil to groundwater RCL, and it was limited to the shallow sample in soil boring P-9. Two soil samples collected from P-2 (1') and P-9 (2') contained DRO at concentrations above 100 ppm; therefore, those two samples were submitted for PAH analysis. Both soil samples contained PAHs at concentrations above their non-industrial, direct-contact and soil to groundwater RCLs. Only soil samples from P-2 and P-4 contained lead at concentrations above its BTV. The results indicate that the soil is only impacted above RCLs in four of the locations that were sampled, at borings P-2, P-4, P 9, and P-11.

The soil borings were subsequently converted to NR 141, WAC, compliant groundwater monitoring wells using hollow stem augers, and groundwater samples were collected from the 11 wells for laboratory analysis of VOC, PAHs, and dissolved metals. PAHs were not detected at concentrations above NR 140, WAC, PALs. 1,2-DCA, and cis-1,2-dichloroethene were the only VOCs detected at concentrations above MDLs, and 1-2-DCA was the only VOC detected at a concentration above its NR 140, WAC, PAL, though the concentration was below its NR 140, WAC, ES. Arsenic, barium, chromium, lead, and selenium were the only metals detected at concentrations above MDLs. Of those, arsenic was detected in groundwater monitoring wells MW-2, MW-5, MW-6, and MW-10 at concentrations above its NR 140, WAC, PAL, but below its NR 140, WAC, ES. Arsenic was detected in groundwater monitoring well MW-1 at a concentration above its NR 140, WAC, ES. Barium, chromium, lead, and selenium were not detected at concentrations above their respective NR 140, WAC, PALs. The groundwater results indicate the contaminants in the soil are generally not having a negative impact on groundwater quality. Only arsenic and 1,2-DCA are present at concentrations exceeding NR 140, WAC, PALs.

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The WDNR has generally taken the position that reporting these detections is required per Section 292.11, Wis. Stats, which is also known as the "Spills Law". The statute requires that a person who possesses or controls a hazardous substance, which is discharged or who causes the discharge of a hazardous substance, shall notify the department immediately of any discharge not exempted by law. Upon notification, it is likely the WDNR will open a case and require additional investigation.

5.0 GENERAL COMMENTS

The analysis and opinions expressed in this report are based upon data obtained during this investigation and laboratory chemical analyses at the indicated locations discussed in this report. This report does not reflect variations in subsurface stratigraphy, hydrogeology, and contaminant distribution that may occur across the site. Actual subsurface conditions may vary and may not become evident without further investigation.

This report is prepared for the exclusive use of our client for specific application to the project discussed and has been prepared in accordance with generally accepted environmental engineering practices. No warranties, express or implied are intended or made. In the event any changes in the nature or location of suspected sources of contamination as outlined in this report are observed, the conclusions and recommendations contained in this report shall not be valid unless these changes are reviewed and the opinions of this report are modified or verified in writing by Terracon.



July 19, 2017

LSC Communications
95 Jarvis Creek Lane
Hilton Head Island, South Carolina 29926

Attention: Mr. Alan H. Carter
Phone: (864) 612-9709
Email: alan.carter@lsc.com

RE: **Environmental Services Proposal**
LSC Communications
460 & 477 Ahnaip Street
Menasha, Winnebago County, Wisconsin
Terracon Proposal No. P58177107

Dear Mr. Carter:

Terracon Consultants, Inc. (Terracon) appreciates the opportunity to continue providing environmental consulting services to LSC Communications at the above-referenced site. Since the information obtained by the Limited Site Investigation (LSI) does not closely define the extent of the impacts to soil and groundwater at the site, this proposal makes assumptions regarding both, and includes a corresponding scope of services that will position the site to receive case closure from the Wisconsin Department of Natural Resources (WDNR), utilizing engineering and institutional controls. The actual scope of services that will be required depends upon the actual extent of the impacts. An outline of the project, including compensation, is provided in the following sections.

1.0 PROJECT INFORMATION

1.1 Phase I Environmental Site Assessment

Terracon completed a Phase I Environmental Site Assessment (ESA) report dated September 13, 2016 for the site. The site is located at 460 Ahnaip Street and 477 Ahnaip Street, Menasha, Winnebago County, Wisconsin. The site consists of five parcels located on the north and south side of Ahnaip Road. The parcels total approximately 7.22 acres. Of the parcels, only one parcel (Parcel A) is improved with a building, the former 'RR Donnelley Book Plant' facility. Additional improvements of Parcel A include the west parking lot (former location of the Island Paper Company Paper Mill that was demolished prior to 1948), which includes a greenspace adjoining the Fox River (for public access). Parcel B is identified as the peninsula parcel which extends south to north under the Racine Street Bridge and is a vacant vegetated area with some asphalt-covered areas. Parcel C is identified as the corner lot, located south of Parcel A and is small lot



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occupied by a City of Menasha sign. Parcels D and E are an asphalt-paved parking lot identified as the east parking lot (former employee parking lot). The on-site facility was reportedly constructed in phases between 1911 and 1994. The facility was originally constructed by the George Banta Publishing Group (ultimately known as Banta Corp.) and has been in continuous use as a publishing facility since its original construction. The facility was purchased by RR Donnelley in 2007. The plant ceased operation in 2011. The former factory is a vacant.

Based on a review of the historical information, the west/northwest portion of Parcel A of the site was occupied by a paper and sulphite mill from approximately 1887 until 1942. The south/east portion of Parcel A was originally constructed with the first buildings of the present-day printing facility in 1911. Several specific features of concern were noted on the Sanborn maps including: oil and gasoline tanks (various time frames), lime tanks and Sulphur storage, associated with the sulphite, an acid plant and associated acid tanks in conjunction with the paper mill, and storage of adhesives, oils, and solvents in the printing plant and the location of a fuel oil tank and ink storage area in the plant. In addition, the aerial photographs and Sanborn maps appear to show areas of the northern portion of the site and the peninsula have been filled. The south-southwest adjoining property was identified as the Gilbert Paper Company from 1894-2010. These operations and features typically include the use of petroleum products and/or hazardous chemicals.

The following recognized environmental conditions (RECs) were identified in connection with the site:

- The historic use of the west-northwest portion of Parcel A of the site for paper mill operations between approximately 1877 and 1942 is considered a REC.
- The historic operations associated with the printing/publishing facility that has operated on the south portion of Parcel A since 1911 is considered a REC.
- Review of aerial photographs and Sanborn maps appear to show areas of the west-northwest portion of the site and the peninsula have been filled. The presence of fill from an unknown source is considered a REC.
- Residual contamination associated with the removal of two solvent underground storage tanks (USTs) at the site in 1989 is considered a REC as groundwater and vapor intrusion were not investigated at that time.
- The likely presence of undocumented fill on the western portion of the site is considered a REC.

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- A leaking underground storage tank (LUST) investigation associated with the adjoining Gilbert Paper Co. included borings on the subject site, which identified a diesel range organic (DRO) concentration of 26 part per million (ppm). The case was closed on October 12, 1995. At the time the LUST case was closed, residual contamination was present on the site. Therefore, the closed LUST case is considered a controlled REC (CREC). If the impacted soil is disturbed, it must be properly managed.

Terracon recommended conducting investigation to evaluate the potential for subsurface contamination related to the identified RECs. To investigate the former paper mill and printing/publishing operations, Terracon reviewed the Phase I ESA and selected boring locations near items or features of potential environmental concern.

1.2 Limited Site Investigation

From April 25-27, 2017, Terracon supervised Horizon Construction and Exploration (Horizon) during installation of 11 direct-push borings soil borings (P-1 through P-11), which were subsequently converted to NR 141, Wisconsin Administrative Code (WAC), compliant groundwater monitoring wells using hollow-stem augers. The direct-push borings were advanced to a depths ranging from 10 feet to 20 feet below ground surface (bgs). Sampler refusal occurred at soil borings P-1, P-2, P-5, P-6, P-7, and P-11, presumably on bedrock.

Soil borings P-1 through P-6 were located on the peninsula, and soil borings P-7 through P-11 were located around the building between the canal and Racine/Ahnaip Streets. Soil borings P-1 and P-2 were located where undocumented fill was placed, and soil borings P-3 and P-4 are located near where oil storage occurred. Soil boring P-5 is located near where acid tanks were located. Soil boring P-6 is located near where sulfur and petroleum storage occurred. Soil boring P-7 is located near the intersection of Ahnaip and Racine Streets, where painting operations and a former UST were present. Soil borings P-8 and P-9 are located on the northern side of the building near where several operations involving solvents, inks, paint, oils, and adhesives occurred in the basement of the building. Soil borings P-10 and P-11 are located on the southern side of the building along Ahnaip Street, where two solvent USTs were removed in 1989. A Site Diagram, depicting the soil boring locations is attached.

The surficial material consisted of asphalt or concrete at soil borings P-1, P-6, P-7, P-8, and P-9. Topsoil was present at soil borings P-2 through P-5 and at soil borings P-10 and P-11. The surficial soils/asphalt for the six borings advanced on the peninsula (P-1 through P-6) were underlain with some clay and silt, but primarily with silty sands and gravel to boring refusal at 13-15 feet bgs, on what is presumed to be bedrock. Difficult drilling was encountered in the soil

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borings surrounding the building (P-7 through P-11). The surface materials were primarily underlain by silty clay to boring termination depths. Multiple attempts were made to install soil boring P-7, and the boring was terminated at 10 foot bgs on what is presumed to be bedrock. The soil samples collected from soil boring P-11 exhibited photoionization detector (PID) readings ranging from 1 parts per million volume (ppmv) to 780 ppmv, with the higher readings in the 2 to 6 feet bgs interval. Soil samples from that interval also exhibited odors.

At soil boring locations P-1 through P-9 and P-11, one soil sample was selected for analysis from the upper four feet at the depth with the highest PID reading or immediately below the topsoil, surface gravel, or aggregate, if PID readings were not elevated. A second sample was collected from below four feet from the depths with the highest PID readings (where applicable) or from immediately above the water table. Only one shallow soil sample was submitted at soil boring P-2 because saturated soil indicative of the soil-groundwater interface was encountered at 1.5 feet bgs. As proposed, soil samples were not submitted for laboratory analysis from soil boring P-10, but after consulting with LSC, soil samples were collected from soil boring P-11 because of the elevated PID readings and odors.

Soil samples from soil borings P-1 through P-9 and P-11 were submitted for laboratory analysis of VOCs by United States Environmental Protection Agency (USEPA) Method 8260B. All samples (with the exception of those from soil boring P-11) were also submitted for laboratory analysis of lead by USEPA Method 6010. Also, soil samples from P-1 through P-6 were submitted for laboratory analysis for PCBs by USEPA Method 8082. Soil samples from soil borings P-1 through P-9 were submitted for laboratory analysis of diesel range organics (DRO) by Wisconsin Modified laboratory analysis. The DRO analysis was used as a screening tool for heavier weight petroleum compounds. DRO was detected at elevated concentrations in soil samples P-2 (1') and P-9 (2'); therefore, these soil samples were subsequently analyzed for polycyclic aromatic hydrocarbons (PAHs) by USEPA Method 8270.

Upon completion of soil sampling, 11 groundwater monitoring wells (MW-1 through MW-11) were constructed using hollow-stem augers at the 11 direct-push boring locations (P-1 through P-11) in accordance with NR 141, WAC. The groundwater monitoring wells were constructed by attaching a 10-foot length of 2-inch diameter, 0.010-inch slotted, polyvinyl chloride (PVC) well screen to a solid PVC riser pipe that extended near or above the ground

On May 9 and 10, 2017, Terracon personnel returned to the site to collect groundwater samples from the 11 groundwater monitoring wells. The groundwater samples were collected using low-flow sampling methods to reduce the potential for sample turbidity. The groundwater samples were submitted for laboratory analysis of VOCs by USEPA Method 8260B, PAHs by USEPA Method 8270, and RCRA metals by USEPA Method 6010/7471.

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Eleven direct-push borings soil borings were advanced during the LSI, with the subsequent submission of 19 soil samples for laboratory analysis. The direct-push borings were advanced to depths ranging from 10 feet to 20 feet bgs based on refusal, presumed to be bedrock. The surficial soils/asphalt for the six borings advanced on the peninsula (P-1 through P-6) were underlain with some clay and silt, but primarily with silty sands and gravel to boring refusal at 13-15 feet bgs, on what is presumed to be bedrock. Difficult drilling was encountered in the soil borings surrounding the building (P-7 through P-11). Around the building, the surface materials were primarily underlain by silty clay to boring termination depths.

PCBs were not detected at concentrations above their analytical MDLs in the 11 samples analyzed. Five of the 19 soil samples contained VOCs at concentrations above their MDLs; however, only benzene, ethylbenzene, methylene chloride, and naphthalene were detected (in one soil boring, P-11) at concentrations above their respective soil to groundwater RCLs. Tetrachlorethene was the only other VOC detected at a concentration above its soil to groundwater RCL, and it was limited to the shallow sample in soil boring P-9. Two soil samples collected from P-2 (1') and P-9 (2') contained DRO at concentrations above 100 ppm; therefore, those two samples were submitted for PAH analysis. Both soil samples contained PAHs at concentrations above their non-industrial, direct-contact and soil to groundwater RCLs. Only soil samples from P-2 and P-4 contained lead at concentrations above its BTV. The results indicate that the soil is only impacted above RCLs in four of the locations that were sampled, at borings P-2, P-4, P 9, and P-11.

The soil borings were subsequently converted to NR 141, WAC, compliant groundwater monitoring wells using hollow stem augers, and groundwater samples were collected from the 11 wells for laboratory analysis of VOC, PAHs, and dissolved metals. PAHs were not detected at concentrations above NR 140, WAC, PALs. 1,2-DCA, and cis-1,2-dichloroethene were the only VOCs detected at concentrations above MDLs, and 1-2-DCA was the only VOC detected at a concentration above its NR 140, WAC, PAL, though the concentration was below its NR 140, WAC, ES. Arsenic, barium, chromium, lead, and selenium were the only metals detected at concentrations above MDLs. Of those, arsenic was detected in groundwater monitoring wells MW-2, MW-5, MW-6, and MW-10 at concentrations above its NR 140, WAC, PAL, but below its NR 140, WAC, ES. Arsenic was detected in groundwater monitoring well MW-1 at a concentration above its NR 140, WAC, ES. Barium, chromium, lead, and selenium were not detected at concentrations above their respective NR 140, WAC, PALs. The groundwater results indicate the contaminants in the soil are generally not having a negative impact on groundwater quality. Only arsenic and 1,2-DCA are present at concentrations exceeding NR 140, WAC, PALs.

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The WDNR has generally taken the position that reporting these detections is required per Section 292.11, Wis. Stats, which is also known as the "Spills Law". The statute requires that a person who possesses or controls a hazardous substance, which is discharged or who causes the discharge of a hazardous substance, shall notify the department immediately of any discharge not exempted by law. Upon notification, it is likely the WDNR will open a case and require additional investigation.

2.0 SCOPE OF SERVICES

Assuming the site will remain a vacant, industrial site, Terracon proposes the following investigation/remedial actions. The following scope of services will be performed to further investigate the extent of impacted soils; verify groundwater quality in the groundwater monitoring wells that had NR 140, WAC, PAL exceedances; evaluate the potential vapor intrusion pathway; and position the site for case closure using engineering and institutional controls.

2.1 Health and Safety Plan

Terracon is committed to the safety of all its employees. As such, and in accordance with our *Incident and Injury Free®* safety goals, Terracon will develop a safety plan to be used by our personnel during field services. Prior to commencement of on-site activities, Terracon will hold a brief health and safety meeting to review health and safety needs for this specific project. At this time, we anticipate performing fieldwork in a USEPA Level D work uniform consisting of hard hats, safety glasses, protective gloves, and steel toed boots. It may become necessary to upgrade this level of protection, at additional cost, during sampling activities in the event that we encounter petroleum or chemical constituents in soils or groundwater that present an increased risk for personal exposure.

2.2 WDNR Notification and Site Investigation Work Plan Preparation

Terracon will notify the WDNR of the release using the Notification for Hazardous Substance Discharge form (4400-225). In turn, the WDNR will send a responsible party letter notifying LSC of their responsibility to investigate the extent and magnitude of the release. Upon receipt of the WDNR letter, Terracon will prepare a site investigation work plan presenting the additional investigation proposed herein, which we believe will position the site for case closure, assuming that the results are favorable.

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2.3 Vapor Intrusion Assessment

Historical operations involving solvents, inks, paint, oils, and adhesives occurred in the basement of the building. Soil from soil boring P-9, located on the northern side of the building, adjacent to the basement, contained PCE at concentrations above its soil to groundwater pathway RCL. Two solvent USTs were removed in 1989 near the locations of soil borings P-10 and P-11, which are located on the southern side of the building along Ahnaip Street. Terracon proposes to assess potential vapor intrusion in the basement adjacent to soil borings P-9, P-10, and P-11. Since groundwater intrusion through the basement floor is a potential issue, Terracon will collect the indoor ambient air samples from the basement in accordance with the WDNR vapor intrusion guidance (PUB-RR-800). The guidance recommends that an outdoor sample also be collected concurrently to ambient air sample collection. The ambient air and outdoor air samples will be collected in laboratory provided 6-liter summa canisters, which have flow controllers calibrated for 24-hour sample collection. The ambient air samples will be submitted for analytical testing of VOCs using EPA Method TO-15.

A summary of the proposed sampling/analysis strategy is presented below.

<u>Sample Location</u>	<u>Matrix/Analyses</u>	<u>No. of Samples</u>	<u>Lab Method</u>
Basement	Ambient Air Samples: VOCs	3	TO-15
Background- Outdoor Air	Outdoor Air Sample: VOCs	1	TO-15

2.4 Locate Utilities in Work Area

In an effort to locate utilities in the work area, Terracon will review any site plans provided to us and will contact Diggers Hotline. To the extent practicable, the locations and depths of the various utilities will be identified to avoid damage to such utilities. A private utility locating firm will be subcontracted to locate private utilities at the site. In addition, available site personnel will be interviewed to help determine utility locations.

2.5 Supplemental Site Investigation

Terracon's supplemental site investigation (SSI) will consist of advancing direct-push borings to obtain soil samples in areas where RCL exceedances occurred (soil borings P-2, P-4, P-9, and P-11) and where arsenic was detected in groundwater above its NR 140, WAC, ES. Samples will

Environmental Services Proposal

LSC Communications ■ Menasha, Wisconsin

July 19, 2017 ■ Terracon Proposal No. P58177107

be collected from direct-push borings advanced at 13 locations (P-12 through P-24). The direct-push borings will be advanced to a depth of 16 feet below ground surface (bgs), to four feet below the apparent groundwater surface, or to refusal, whichever is shallower. Soil samples will be collected continuously to the boring terminus.

Soil borings P-12 and P-13 will be located on the southern side of the building near the Ahnaip Street right-of-way and approximately 30 feet from soil boring P-11, to delineate the VOC impacts identified at that location. Terracon is not proposing to advance a boring within, or southeast of Ahnaip Street; rather, we will extrapolate the extent of the impacted soil beneath the street and document potential utilities that may be receptors beneath the street. Soil borings P-14 through P-16 will be located on the northern side of the building and approximately 30 feet from soil boring P-9, to delineate the VOC and PAH impacts identified at that location. Soil borings P-17 through P-19 will be located on the peninsula and approximately 50 feet from soil boring P-4, to delineate the lead impacts identified at that location. Soil borings P-12 through P-23 will be located on the peninsula and approximately 50 feet from soil boring P-2, to delineate the lead and PAH impacts identified at that location. Soil boring P-24 will be located adjacent to groundwater monitoring well MW-1, to evaluate whether arsenic is present in the shallow soil at that location. The proposed boring locations are shown on the attached exhibit; however, the locations may be adjusted based upon access or utilities.

Soil characteristics (e.g. texture, color) and any unusual odors or discoloration will be noted on each soil boring log. A PID will be used to field screen soil samples for volatile organic compound (VOC) vapors. At soil boring locations P-12 through P-24, one soil sample will be selected for analysis from the upper four feet and a second sample will be collected from below four feet from the depths with the highest PID readings. Or, if PID readings are not elevated, the deeper soil sample will be collected from immediately above the water table and the shallow soil sample will be collected from immediately below the topsoil, surface gravel, or aggregate, unless other indications of impacts suggest another sample. The soil samples will be placed in laboratory-supplied containers, placed in an ice chest to cool to approximately 4 degrees Celsius (°C), and transferred under chain-of-custody protocol to a Wisconsin-certified laboratory for analysis. A summary of the proposed sampling/analysis strategy is presented as follows:

<u>Sample Locations</u>	<u>Matrix/Analyses</u>	<u>No. of Samples</u>	<u>Lab Method</u>
P-12 and P-13	Shallow and Deep Soil Samples: VOCs	4	8260B
P-14 through P-16	Shallow and Deep Soil Samples: VOCs and PAHs	6	8260B/8270
P-17 through P-19	Shallow and Deep Soil Samples: Lead	6	6010

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July 19, 2017 ■ Terracon Proposal No. P58177107

<u>Sample Locations</u>	<u>Matrix/Analyses</u>	<u>No. of Samples</u>	<u>Lab Method</u>
P-20 through P-23	Shallow and Deep Soil Samples: PAHs and Lead	8	8260B/6010
P-24	Shallow and Deep Soil Samples: Arsenic	2	6010

After soil sampling, the borings will be abandoned per Chapter NR 141, WAC. Borings advanced through paved surfaces will be patched with similar materials.

2.6 Groundwater Monitoring Well Sampling

The 11-groundwater monitoring wells expandable caps will be opened and groundwater will be allowed to equilibrate prior to the collection of static water levels from all of the groundwater monitoring wells. Groundwater samples will be collected from groundwater monitoring wells MW-1, MW-2, MW-5, MW-6, MW-10, and MW-11. The groundwater samples will be collected using low-flow sampling methods to reduce the potential for sample turbidity. Terracon will purge each monitoring well prior to sampling using a low-flow pump and dedicated tubing. Natural attenuation field parameters such as dissolved oxygen (DO), oxidation-reduction potential (ORP), specific conductance, pH, and temperature will be measured using a water quality meter with a flow-through cell until stable readings are observed for each of the parameters. Generally, a goal of 3 consecutive readings within 10% taken a minimum of 5 minutes apart during purging is indicative that groundwater in the well has stabilized. Upon stabilization, a groundwater sample will be collected from the monitoring wells.

The groundwater samples from MW-1, MW-2, MW-5, MW-6, and MW-10 will be submitted for laboratory analysis of arsenic by USEPA Method 6010. Groundwater samples from monitoring well MW-11 will be submitted for laboratory analysis of VOCs by USEPA Method 8260B. The groundwater samples collected for analysis of arsenic will be field filtered. The groundwater samples will be collected in laboratory-supplied containers, placed in an ice chest to cool to approximately 4°C, and transferred under chain-of-custody protocol to a Wisconsin-certified laboratory for analysis. A duplicate and trip blank will also be submitted for VOC laboratory analysis.

A summary of the proposed sampling/analysis strategy is presented as follows:

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<u>Sample Locations</u>	<u>Matrix/Analyses</u>	<u>No. of Samples</u>	<u>Lab Method</u>
MW-1, MW-2, MW-5, MW-6, and MW-10	Groundwater: Arsenic	5	6010
MW-11	Groundwater: VOCs	1	8260B
Duplicate	Groundwater: VOCs	1	8260B

2.7 Investigative Derived Waste Disposal

Minimal soil will be generated during the direct-push soil borings; however, purge water generated during groundwater sampling will be containerized in labeled 55-gallon drums for temporary storage on site. Upon receipt of the analytical results, Terracon will arrange for the appropriate disposal of the investigation-derived wastes (IDW) generated during groundwater sampling. The assumption is that the IDW is non-hazardous.

2.8 Preparation of Site Investigation and Remedial Action Plan

Assuming the proposed SSI adequately delineates the impacted soil; groundwater contaminant concentrations remain similar to or improved compared to the existing data; and vapor intrusion is determined to not be a concern; the site investigation (SI) will be complete such that we can develop a conceptual site model, around which a remedial action plan (RAP) can be developed. The SI/RAP will also include a remedial action options evaluation (RAOR) demonstrating why the selected RAP is the best option. Based on the existing data, we anticipate that the conceptual site model and associated RAP will generally be based upon the following key conditions:

- The majority of the site is currently zoned for general industrial use and will continue to remain vacant or industrial use will resume; therefore, concentrations of contaminants in the shallow soil can be compared to the industrial, direct-contact RCLs. Under that scenario, there are no concentrations in the shallow soil that exceed the industrial, direct-contact RCLs. Based on the 2016 zoning map, the "peninsula" portion of the site that underlies Racine Street is zoned for residential use; however, there are no currently no known exceedances of the non-industrial, direct-contact RCLs on that portion of the site.
- The only exceedance of an NR 140, WAC, ES is the arsenic concentration detected in groundwater monitoring well MW-1, and we are assuming that the WDNR will not require installation of additional groundwater monitoring wells to further delineate the up-gradient extent of those impacts because they are effectively delineated by the canal and the Fox River.

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- Vapor intrusion is not a pathway of concern.

Based upon the above assumptions/conditions, the RAP will likely consist of restricting the site to continued industrial use only along with three quarterly groundwater-monitoring events to demonstrate that the concentrations of arsenic in the groundwater are stable or decreasing. The SI/RAP report will be provided to you in draft for review. The final report will be submitted to the WDNR, along with a technical review fee, for their review/concurrence on the completion of the SI and the recommended RAP.

2.8.1 Quarterly Groundwater Monitoring Well Sampling

For purposes of this proposal, Terracon assumes that three additional rounds of quarterly groundwater samples will be collected from groundwater monitoring wells MW-1, MW-2, MW-5, MW-6, and MW-10 using low-flow sampling methods as previously described, and the groundwater samples will be submitted for laboratory analysis of arsenic by USEPA Method 6010. Groundwater generated from purging the monitoring wells will be placed in labeled, 55-gallon drums pending disposal arrangements after the completion of the last round of sampling. The implementation of a quarterly groundwater sampling and analysis plan is needed to document dissolved phase plume stability and contaminant attenuation prior to requesting case closure.

2.9 Reporting and Case Closure

Assuming the extent of the dissolved phase groundwater contaminant plume is stable after three quarters of monitoring, Terracon will prepare a groundwater data transmittal for WDNR submittal.

Upon completion of the final quarterly groundwater monitoring event and assuming the data supports that the contaminant plume is stable or decreasing and that natural attenuation can be relied upon as a final remedy, Terracon will prepare a Case Closure-GIS Registry packet for WDNR review and decision. Specific activities associated with case closure include:

- Prepare a WDNR Case Closure-GIS Registry form for submittal to the WDNR for review and approval.
- Submit the Closure Review Request fee of \$1,050, the Soil GIS Registry fee of \$300, and the Groundwater GIS Registry fee of \$350.
- Dispose of the drummed investigative derived waste (assumes non-hazardous) and abandon the 11 groundwater monitoring wells after conditional case closure is approved. The abandonment forms and disposal documentation will be forwarded to WDNR.

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2.10 Anticipated Schedule

Terracon proposes to initiate the SSI as soon as possible upon LSC authorization. The anticipated schedule is as follows:

TASK	ANTICIPATED SCHEDULE	ANTICIPATED COMPLETION DATE*
WDNR Notification and Site Investigation Work Plan Submittal	1 week after authorization to proceed	August 2017
Vapor Intrusion Assessment	3 weeks after authorization to proceed (ATP)	August 2017
Supplemental Site Investigation	3 weeks after ATP	August 2017
Site Investigation and Remedial Action Plan	30 days following receipt of final analytical data	October 2017
Groundwater Sampling	Quarterly	November 2017 February 2018 May 2018
Case Closure Submittal and Closure Fees	30 days following receipt of final analytical data	August 2018
WDNR Closure Review	30-60 days after submittal	September-October 2018
Well Abandonment	30 days following notification of conditional closure	November 2018
Final Closure	10 days following submittal of conditional closure documentation	December 2018

*Anticipated completion dates are contingent upon WDNR and client review time and the schedules of Terracon, laboratory, and subcontractors.

3.0 COMPENSATION

The Scope of Services as outlined in this proposal will be performed on a time and materials basis according to our attached fee schedule. Because the amount of time and effort required for us to complete the scope of services may vary based on the level of effort required and uncertainties, we believe being compensated on a time and materials basis is most appropriate. However, we understand that a reasonable limit is necessary for budgeting purposes. Therefore, we have estimated the following budgetary amounts for the tasks listed in the table below. This cost assumes that the laboratory analysis will be performed on a normal turnaround time basis. If as a result of these services, additional work is required outside the scope of this proposal, you will

Environmental Services Proposal

LSC Communications ■ Menasha, Wisconsin

July 19, 2017 ■ Terracon Proposal No. P58177107

be contacted, and a revised cost estimate for the additional work will be provided. No work outside the scope of this proposal will be completed by Terracon without your prior approval.

PROJECT COST ESTIMATE	
Supplemental Site Investigation	\$13,500
Vapor Intrusion Assessment	\$ 3,000
Preparation of SI/RAP (Includes WDNR Fees)	\$ 8,000
Three Quarterly Groundwater Monitoring Events/Groundwater Data Transmittal	\$ 9,000
Case Closure, Monitoring Well Abandonment, and IDW Disposal (Includes WDNR Fees)	\$11,500
Total Cost	\$45,000

This proposal and cost estimate were prepared based on the following assumptions:

- The owner/owner representative will provide to Terracon, prior to mobilization, legal right of entry to the site (and other areas if required) to conduct the scope of services;
- The client agrees to provide Terracon with all existing as-built plans including underground utilities and structures prior to commencement of field activities;
- The owner/owner representative will notify Terracon, prior to mobilization, of any restrictions, special site access requirements, or known potentially hazardous conditions at the site (e.g. hazardous materials or processes, specialized protective equipment requirements, unsound structural conditions, etc.);
- Utilities on private land that are not located by public companies will be located by property owner/operator. Terracon will contact site representatives to discuss potential private utility locations and to request copies of any available site plans that may show utility locations; and
- Work can be performed during normal business hours (Monday through Friday, 7:00 am to 7:00 pm).

If any of these assumptions or conditions is not accurate or changes during the project, the stated fee is subject to change. Please contact us immediately if you are aware of any inaccuracies in these assumptions and conditions, so we may revise the proposal or fee.

Environmental Services Proposal

LSC Communications ■ Menasha, Wisconsin

July 19, 2017 ■ Terracon Proposal No. P58177107

4.0 LIMITATIONS



The results, findings, conclusions, and recommendations, which will be provided in the SI report, will be based solely on the conditions which are observed during the site investigation and the information reviewed by Terracon. No warranties or representations expressed or implied will be made as to the condition of the site beyond that observed by Terracon during its site investigation.

5.0 AUTHORIZATION

This proposal may be accepted by executing the attached Supplement to Agreement for Services. This proposal and our Supplement to Agreement for Services shall constitute the exclusive terms and conditions and services to be performed for this project. This proposal is valid only if authorized within sixty (60) days from the proposal date.

We appreciate the opportunity to provide this proposal and look forward to continue working with you on this project. If you have any questions or comments regarding this proposal or require additional services, please contact us at (414) 423-0255.

Sincerely,


Timothy P. Welch, P.G.
Environmental Department Manager For
Blaine R. Schroyer, P.E.
Principal/Office Manager

Attachments - Site Diagram
Supplement to Agreement for Services

TPW/BRS:tpw\\milwaukee1\Data\ProposalDocuments\2017\P58177107\P58177107.LSC Communications_Mensaha ENV Services
Proposal_7.19.17.docx

LEGEND

SOIL BORING/ GROUNDWATER MONITORING WELL LOCATIONS

APPROXIMATE SITE BOUNDARY

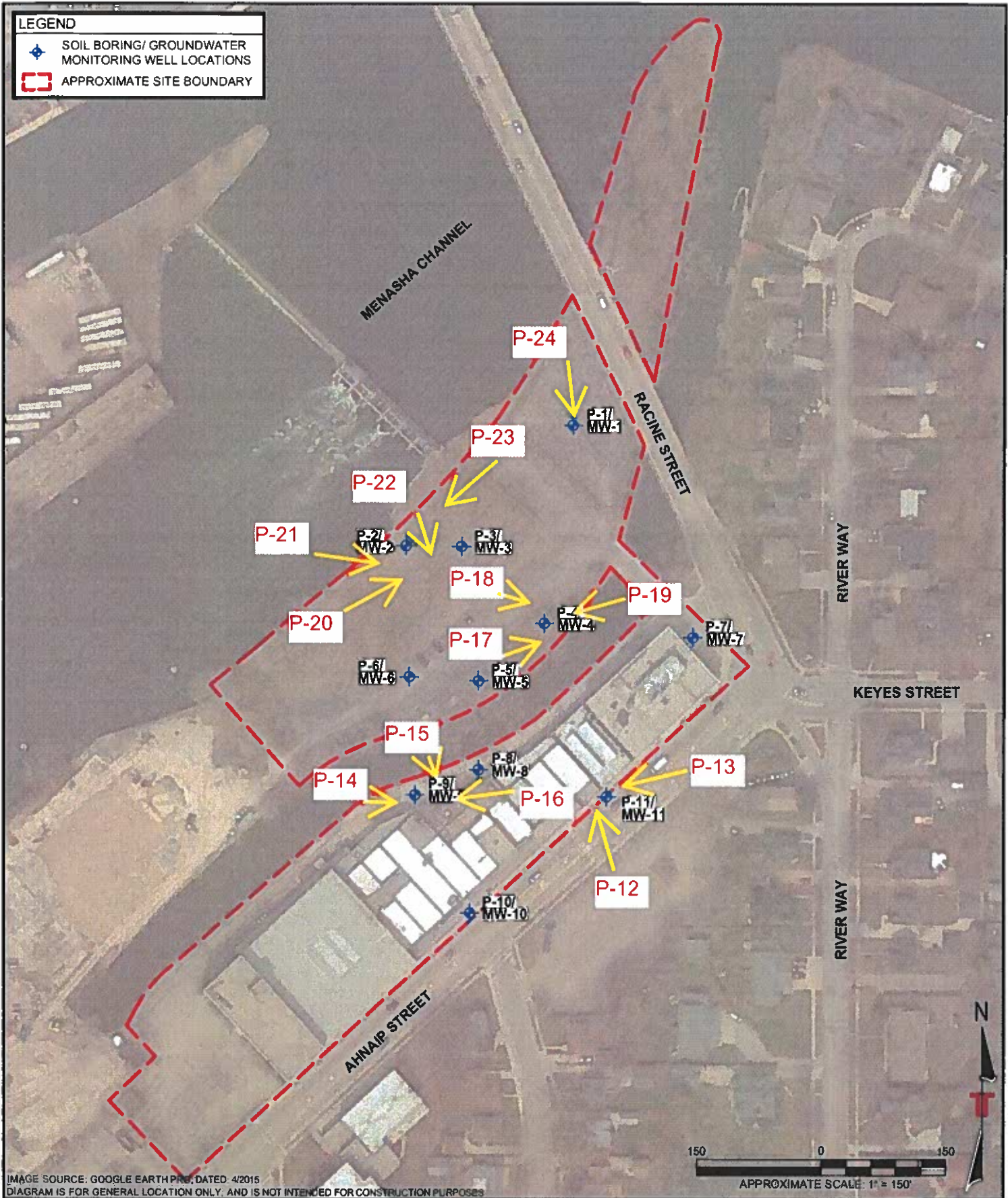


IMAGE SOURCE: GOOGLE EARTH PRO, DATED: 4/2015
DIAGRAM IS FOR GENERAL LOCATION ONLY, AND IS NOT INTENDED FOR CONSTRUCTION PURPOSES

Project Mgr	TPW
Drawn By	JLM (41)
Checked By	AJL
Approved By	BRS
Project No	58167211
Scale	AS SHOWN
File No	58167211C1
Date	6/2017

Terracon

Consulting Engineers and Scientists

9856 SOUTH 57th STREET
FRANKLIN, WI 53132
PH (414) 423-0255
FAX (414) 423-0566

SITE DIAGRAM

LSC COMMUNICATIONS
460 & 477 AHNAIP STREET
MENASHA, WISCONSIN

EXHIBIT

2

SUPPLEMENT TO AGREEMENT FOR SERVICES**CHANGE TO
SCOPE OF SERVICES AND FEES**

This **SUPPLEMENT to AGREEMENT FOR SERVICES** to the original Agreement for Services (original Agreement dated 03/30/2017, Agreement reference number P58167211R) is between LSC Communications ("Client") and Terracon Consultants, Inc. ("Consultant") for additional or changed Services to be provided by Consultant for client on the Project, as described in the Agreement for Services. This Supplement is incorporated into and part of the Agreement for Services.

- 1. Scope of Services.** The scope of the additional or changed Services are described in the Scope of Services section of the Consultant's Supplemental Proposal, unless Services are otherwise described below or in Exhibit B to this Supplement (which section or exhibit are incorporated into the Supplement).

See Terracon proposal P58177107, dated July 19, 2017.

- 2. Compensation.** Client shall pay compensation for the additional or changed Services performed at the fees stated in the Supplemental Proposal unless fees are otherwise stated below or in Exhibit C to this Supplement (which section or exhibit are incorporated into the Supplement).

See Terracon proposal P58177107, dated July 19, 2017.

All terms and conditions of the **Agreement for Services** shall continue in full force and effect. This Supplement is accepted and Consultant is authorized to proceed.

Consultant: **Terracon Consultants, Inc.**

By:  Date: **7/19/2017**

Name/Title: **Timothy P Welch / Senior Project Manager-
Professional**

Address: **9856 S 57th St
Franklin, WI 53132-8680**

Phone: **(414) 423-0255** Fax: **(414) 423-0566**

Email: **Tim.Welch@terracon.com**

Client: **LSC Communications**

By: _____ Date: _____

Name/Title: **Alan H Carter / Platform Manager -
Environmental, Health & Safety**

Address: **95 Jarvis Creek Lane
Hilton Head Island, SC 29926**

Phone: **(864) 612-9709** Fax: _____

Email: **www.lsc.com**

August 18, 2017

Todd Drew
Environmental Health Sanitarian
City of Menasha Health Department
316 Racine St.
Menasha, WI 54952

RE: Review of Terracon's Limited Site Investigation Report of LSC Communications property on Ahnaip St., dated August 3, 2017

Dear Todd,

I reviewed Terracon's site investigation report for the LSC Communications site, dated August 3, 2017.

Terracon installed borings in areas suspected of potentially being contaminated from past site operations. Borings were not placed in the basement of the former Banta building, since, in Terracon's opinion, the likelihood of any discharges in the basement seeping through into the ground below was minimal. Soil sampling was performed at all locations except at boring P-10, where soil sampling had occurred earlier as part of an earlier investigation. Permanent monitoring wells were installed in the 11 boring locations and sampled.

Contaminant levels exceeded soil or groundwater standards in eight of the eleven well locations (MW-1, MW-2, MW-4, MW-5, MW-6, MW-9, MW-10, and MW-11).

I have the following comments:

1. I was surprised at the relatively low levels of contamination at this long-term industrial site. I suspect that the significant amount of porous soils at the site, the high groundwater table, and the relative proximity of the site to water bodies, have caused a flushing effect over time, lowering contaminant levels in the soil and groundwater.
2. Regarding groundwater issues, there are two levels of groundwater standards, the preventive action limit (PAL) and the enforcement standard (ES). The ES is the groundwater level that triggers investigations and regulatory concern, while the PAL is a lower benchmark that raises a concern that there might be a problem in the area. (The DNR often requires only a single confirmatory groundwater sample in wells with PAL exceedances.)

Only one well at the site, MW-1, exhibited an enforcement standard exceedance. Arsenic was found at 12.6 ug/L, exceeding the enforcement standard of 10 ug/L. MW-1 is located in a filled area at the site. Arsenic was found in the groundwater at five of the 11 sampled locations, and is a common contaminant found in industrial areas where coal, a common source of arsenic, has been used as a fuel source. The boring log for well MW-1 identified coal pieces in the boring.

3. Regarding soil issues, there are three types of soil standards, or "residual contaminant levels" (RCLs). One is called the "groundwater pathway" RCL, which is set at a level so that rain leaching through the soil into the groundwater table doesn't produce contaminant levels of concern in

the groundwater. (The DNR often requires only a single confirmatory groundwater sample in wells with groundwater pathway RCL exceedances, to make sure that the contaminants of concern in the soil are not present at levels of concern in the groundwater.) When groundwater pathway RCLs are exceeded in the soil, the groundwater results are reviewed to see if the soil contaminants of concern have leached into the groundwater.

At the LSC Communications site, in the borings where contaminants were present in the soil at levels exceeding groundwater pathway RCLs, the contaminants were not detected at all in the groundwater. Those contaminants appear to be bound to the soil, and not leaching into the groundwater.

4. The other two types of soil standards are the "direct-contact" RCLs, which protect against exposure from touching or breathing the soil, and are established for non-industrial and industrial areas. Since residences are located in the neighborhood around the LSC Communications site, the "non-industrial" soil RCLs apply, in spite of the past industrial use of the property. A few locations at the LSC Communications site exhibited soil contaminant levels of direct-contact concern:
 - a. Boring P-11 – This boring was placed in the area of the east solvent underground storage tank. At three feet below the surface, there was strong field evidence of contamination, and ethylbenzene was found in the soil above the non-industrial direct-contact RCL. Ethylbenzene was not found in the groundwater at this location, human exposure is limited by pavement in the area, and further investigation options are extremely limited in the area. Nevertheless, the DNR may still require further investigation in the area, and may require the continued maintenance of the pavement in the area to grant closure.
 - b. Boring P-9 – This boring was placed outside the building to the north of the basement location, where solvents, inks, paint, oils, and adhesives were previously stored. An elevated diesel range organics (DRO) concentration was found in a soil sample taken two feet below the surface, and a number of polycyclic aromatic hydrocarbon (PAH) compounds were detected above non-industrial direct-contact RCLs. No petroleum compounds were identified in the groundwater above standards. The DNR may require further investigation in the area, and may require the maintenance of some type of impervious surface in the area to grant closure.
 - c. Boring P-2 – This boring was installed in an area of fill near the channel. An elevated DRO concentration was found in a soil sample taken one foot below the surface, and benzo(a)pyrene was detected above non-industrial direct-contact RCLs. No petroleum compounds were identified in the groundwater above standards. Similar to the above areas, the DNR may require further investigation in the area and the maintenance of an impervious surface.
 - d. Boring P-4 – This boring was placed in a former oil storage area. A soil sample taken three feet below the surface revealed a lead concentration above the non-industrial direct-contact RCL. Lead was not detected in the groundwater. Similar to the above areas, the DNR may require further investigation in the area and the maintenance of an impervious surface.

Terracon's investigation was intended to investigate the existence of potential environmental issues identified in the prior Phase I environmental site assessment. As such, it has produced greater clarity on the level of contamination at the site. It's important to realize that the investigation was limited to 11

two-inch borings on the seven-acre site. It has been OMNNI's experience at similar Brownfield sites that additional areas of contaminated soil and groundwater will be encountered during redevelopment.

OMNNI recommends that the DNR be notified of the findings.

OMNNI also recommends that the responsible party consider placing the property in the DNR's voluntary party liability exemption (VPLE) program, where the responsible party can obtain exemption from future environmental liability by teaming with the DNR to complete the investigation of the site to closure. The City of Menasha will need to determine whether or when to take on responsible party status for the site's environmental issues, whether to accept title transfer of the site prior to DNR closure, and whether to incorporate terms in the transfer documents dictating the responsibilities of the buyer and seller during the investigation process through closure.

Depending on how the property will be redeveloped, achieving closure of the soil and groundwater environmental issues identified by Terracon in their work to date may not require remedial efforts beyond additional investigation activities.

Sincerely,

A handwritten signature in dark ink that reads "Don Brittnacher". The signature is written in a cursive, slightly slanted style.

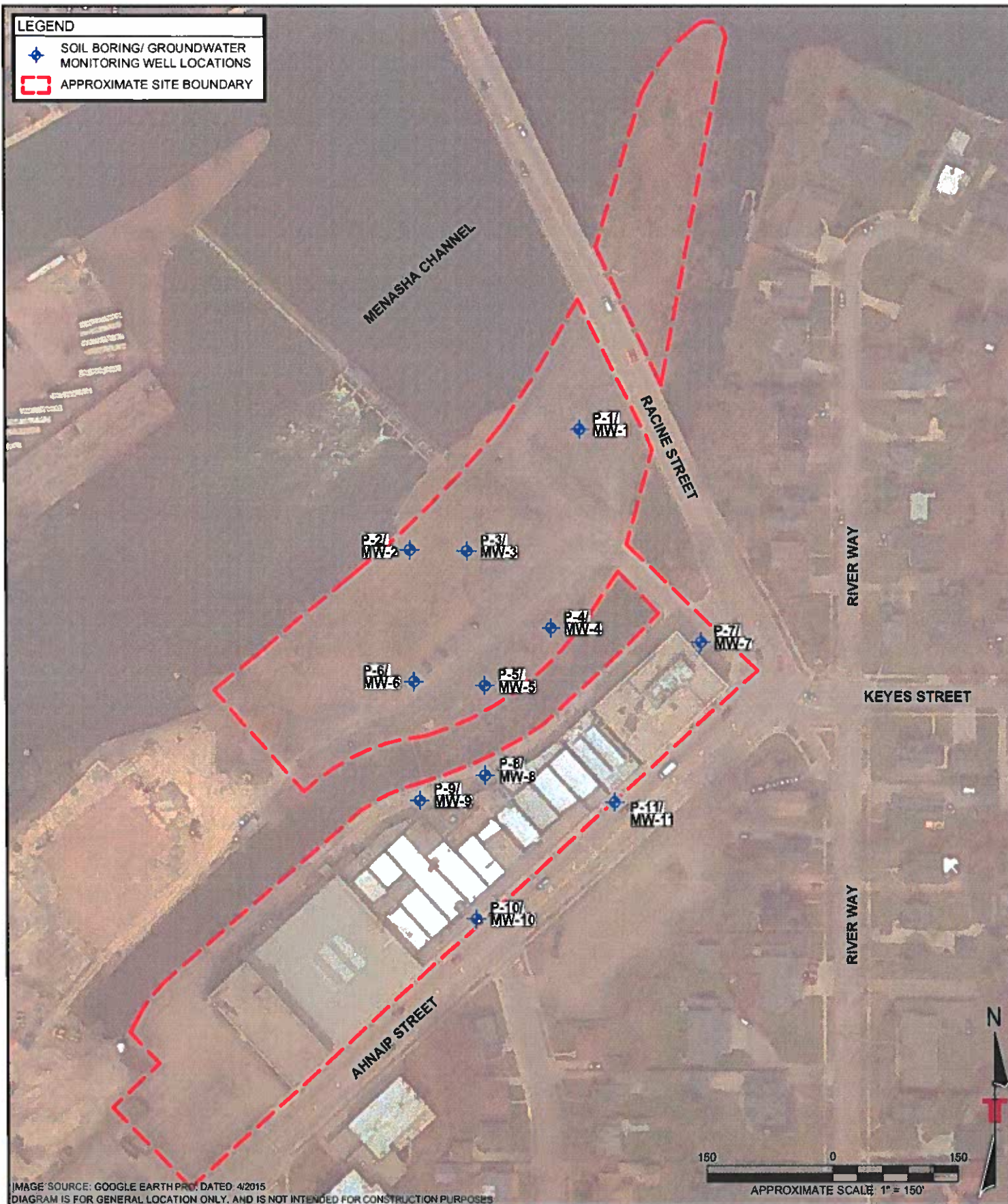
Don Brittnacher
Project Manager

Attachments

LEGEND

SOIL BORING/ GROUNDWATER MONITORING WELL LOCATIONS

APPROXIMATE SITE BOUNDARY



Project Mng:	TPW
Drawn By:	JLM (41)
Checked By:	AJL
Approved By:	BRS
Project No:	58167211
Scale:	AS SHOWN
File No:	58167211C1
Date:	6/2017

Terracon

Consulting Engineers and Scientists

9856 SOUTH 57th STREET

FRANKLIN, WI 53132

PH: (414) 423-0255

FAX: (414) 423-0566

SITE DIAGRAM

LSC COMMUNICATIONS

460 & 477 AHNAPPEE STREET

MENASHA, WISCONSIN

EXHIBIT

2

Tables of Soil and Groundwater Standard Exceedances

LSC Communications Site, Ahnaip St., Menasha

April - May, 2017 Sampling Events

	Soil				Groundwater	
	GW Path	Non-Ind DC	Ind DC		PAL	ES
P-1				MW-1		X
P-2	X	X		MW-2	X	
P-3				MW-3		
P-4		X		MW-4		
P-5				MW-5	X	
P-6				MW-6	X	
P-7				MW-7		
P-8				MW-8		
P-9	X	X		MW-9		
P-10	-	-	-	MW-10	X	
P-11	X	X		MW-11	X	

GW Path = groundwater pathway residual contaminant level

Non-Ind DC = non-industrial direct-contact residual contaminant level

Ind DC = industrial direct-contact residual contaminant level

PAL = preventive action limit

ES = enforcement standard

X = soil or groundwater standard exceedance

- = not sampled



MEMORANDUM

Date: August 31, 2017
To: Redevelopment Authority
From: Community Development Department/DB
RE: Amendment to the Offer to Purchase Lake Park Villas Phase II Subdivision Lot 70/913 Clover Court by Van's Realty and Construction of Appleton, Inc.

After receiving an offer to purchase Lake Park Villas Phase II Subdivision Lot 70/913 Clover Court from an independent buyer/third party in April of 2016, Van's Realty and Construction of Appleton, Inc. (Van's) exercised their option to purchase at the same price offered by the independent buyer at \$32,900. Lot 70 is one of five lots listed within the Land Purchase and Development Agreement between the RDA and Van's dated September 14, 2016 that affords Van's the right of first refusal (see attached Land Purchase and Development Agreement).

There was confusion on Van's interpretation of the provision whereby Van's believed they would be entitled to not only the offered purchase price but also the use of a promissory note rather than cash at closing and being eligible for the builder's credit. The agreement stipulates per section 2.01.3, "If RDA receives an offer to purchase any of the Option Lots from a third party prior to Vans having exercised its Option to Purchase, Vans shall have a Right of First Refusal to purchase any such Option Lot, provided that the conveyance shall be subject to the terms of the third party offer and at the purchase price offered by the third party." As the independent buyer/third party's offer did not include the provision that a promissory note rather than cash at closing nor did it include a builder's credit, the city expected to receive the accepted purchase price of \$32,900 in cash at closing and will not be paying a builder's credit.

At this time, Van's is requesting that they be allowed to provide a promissory note/security rather than cash at closing pursuant to 2.02 of the Land Purchase and Development Agreement that reads "For each Lot purchased, Vans shall either pay cash at closing or Vans shall execute a Promissory Note in favor of the RDA in the amount of the Purchase Price. The terms of the Promissory Note shall be 0% interest per annum until paid in full except in the case of a default, then interest shall be 5% per annum from the date of execution until paid in full. Vans shall be required to pay the outstanding balance of each Promissory Note in full for each lot sold or transferred, prior to or at the time of each closing between Vans and its immediate successor in interest to the Lot using first proceeds for said payment or 1 year from the date of execution of the Promissory Note, whichever comes first. As security for said Promissory Note(s), Vans shall give RDA a first mortgage position."

Staff Recommendation

Community Development staff is recommending approval to allow Van's to use a promissory note/security rather than cash at closing, as referenced in 2.02 of the Land Purchase and Development Agreement in order to continue development of the Lake Park Villas subdivision.

LAND PURCHASE AND DEVELOPMENT AGREEMENT

This Land Purchase and Development Agreement (hereinafter AGREEMENT) is made and entered into as of the 14th day of September, 2016, by and between the Redevelopment Authority of the City of Menasha, Wisconsin, a Wisconsin municipal corporation with its principal offices located at 140 Main St., Menasha, Wisconsin 54952 (hereinafter "RDA"), and Van's Realty and Construction of Appleton, Inc., a Wisconsin corporation with its principal offices located 2525 Oneida St., Appleton, WI 54915 (hereinafter "Vans").

RECITALS

Whereas: Vans submitted a Letter of Intent to the RDA for the acquisition of certain rights in and to 10 lots within the Lake Park Villas Phase II Subdivision (LPVP II) listed as follows: 81, 70, 4CSM3511, 19R, 108, 124, 125, 91, 21R, 123, hereinafter referred to individually "Lot" or collectively "Lots"; and

Whereas: Vans has requested certain incentives from the Redevelopment Authority of the City of Menasha (RDA) to facilitate the purchase of said Lots, development of homes and to market the developed properties within LPVP II; and

Whereas: The RDA has obligations under its development agreement with the City of Menasha to promote the development of the LPVP II and to market and sell properties contributed from the city to the RDA; and

Whereas: The RDA has determined that the provision of incentives to Vans is necessary to stimulate the sale of Lots and construction of homes in LPVP II.

ARTICLE I PURPOSE

SECTION 1.01. PURPOSE OF AGREEMENT. The purpose of this Agreement is to facilitate the sale, development and marketing of certain properties within LPVP II by Vans. The recitals are incorporated herein by reference.

ARTICLE II OBLIGATIONS

SECTION 2.01. PURCHASE RIGHTS AND OBLIGATIONS.

SECTION 2.01.1. Purchase. On or before December 31, 2016, Vans agrees to purchase five of the Lots, specifically: 91, 108, 19R, 124, and 21R from the RDA for the purchase price of \$35,000 for each Lot (less the Builder Credit).

SECTION 2.01.2. Option to Purchase. Vans shall have the Option to Purchase the additional five Lots, specifically: 70, 81, 4CSM3511, 123 and 125 (hereinafter referred to individually an "Option Lot" and collectively the "Option Lots") until December 31, 2018 for the purchase price of \$35,000 for each lot. Vans' Option to Purchase shall be

exercisable by written communication and delivered by mail, personally, or electronic means to RDA.

SECTION 2.01.3. Right of First Refusal. If RDA receives an offer to purchase any of the Option Lots from a third party prior to Vans having exercised its Option to Purchase, Vans shall have a Right of First Refusal to purchase any such Option Lot, provided that the conveyance shall be subject to the terms of the third party offer and at the purchase price offered by the third party. Vans Right of First Refusal shall be exercisable by written communication within 72 hours after Vans receives written notice of the third party offer from RDA and shall be delivered by mail, personally, or electronic means to RDA or the Right of First Refusal shall be deemed waived with respect to the third party offer. If the third party offer does not close, then Vans shall retain its Option to Purchase and Right of First Refusal on the Option Lot.

SECTION 2.01.4. Substitute Option Lot. If Vans elects not to exercise its Option to Purchase or Right of First Purchase and the RDA transfers an Option Lot to a third party, then Vans shall have the right to identify and substitute a replacement Option Lot within the LPVP II which shall then be subject to the terms and conditions of this Agreement, including Vans' Option to Purchase and Right of First Purchase as if it was specifically identified herein.

SECTION 2.01.5. Conveyance. All transfers to Vans hereunder shall be by Warranty Deed from RDA conveying title free of all liens and encumbrances (except easements and restrictions of record, including but not limited to the Lake Park Villas Home Owners Association covenants and restrictions), and RDA and Vans shall assume customary rights and obligations of buyers and sellers up to and including closing.

SECTION 2.02. PAYMENT; SECURITY. For each Lot purchased, Vans shall either pay cash at closing or Vans shall execute a Promissory Note in favor of the RDA in the amount of the Purchase Price. The terms of the Promissory Note shall be 0% interest per annum until paid in full except in the case of a default, then interest shall be 5% per annum from the date of execution until paid in full. Vans shall be required to pay the outstanding balance of each Promissory Note in full for each lot sold or transferred, prior to or at the time of each closing between Vans and its immediate successor in interest to the Lot using first proceeds for said payment or 1 year from the date of execution of the Promissory Note, whichever comes first. As security for said Promissory Note(s), Vans shall give RDA a first mortgage position.

SECTION 2.03. CONSTRUCTION. Vans agrees to construct homes on each Lot purchased within the LPVP II from the RDA within one year of closing:

SECTION 2.03.1. Construction of homes on each of the first five lots purchased shall be completed no later than December 31, 2017, and shall be demonstrated by receipt of a certificate of occupancy for each home.

SECTION 2.03.2. Each home shall be at least 1,400 square feet exclusive of garage and basement floor space. Two of the homes shall meet or exceed 1600 square feet exclusive of garage and basement floor space.

SECTION 2.03.3. Each home shall be constructed in accordance with the LPVP II Home Construction Standards.

SECTION 2.04. TAXES. It is understood that the land and improvements resulting from the acquisition and subsequent construction of homes on the Lots shall be subject to property taxes. Vans shall pay when due all federal, state and local taxes in connection with the Lots and homes thereon constructed.

SECTION 2.05. CONDITION. Except as provided herein, the Lots shall be conveyed in "as is" physical condition. The RDA is not responsible for any subsequent remediation, demolition, underground debris, or other clean-up costs after conveyance.

SECTION 2.06. RECORDING. This Agreement may not be recorded with the register of deeds. A memorandum of this Agreement shall be executed by both parties and recorded with the register of deeds to provide record notice of Vans' interest in the Lots in the form attached hereto; Van's shall bear the recording fee.

ARTICLE III BUILDER CREDIT

SECTION 3.01. BUILDER CREDIT. As long as Vans is not in default of its obligations under this Agreement or any terms of the Promissory Note(s), RDA agrees to provide Vans a "Builder Credit" against any amount owed to RDA under a Promissory Note which applies to a respective Lot based on the sale price of such respective Lot and improvements thereon from Vans to a third party. The Builder Credit shall be calculated as follows:

- \$10,500 credit if the sale price meets or exceeds \$200,000.
- There shall be no credit applied if the sale price is below \$200,000.

SECTION 3.02. CONDITIONS TO CREDIT. There is no cash value of the Builders Credit. It is only available to Vans, and it is only available as a credit against the amounts due on the Promissory Note which applies to the respective Lot improved and for which a credit is due under Section 3.01, above. The credit available to Vans under this section shall terminate upon the sale and transfer of the last Lot from Vans to a third party or on December 31, 2020, whichever occurs first.

ARTICLE IV MISCELLANEOUS PROVISIONS

SECTION 4.01. NO ASSIGNMENT. The rights, duties and obligations of the any of the parties hereunder may not be assigned without the written consent of both parties to the assignment.

SECTION 4.02. SURVIVAL. The terms of this Agreement shall survive closing on the Lots. Any provision of this Agreement which has not been fully performed prior to transfer of possession shall not be deemed to have been terminate, but shall survive unless expressly waived in writing, and shall be in full force and effect until performed.

SECTION 4.03. NO SUBORDINATION. The RDA shall not subordinate any interest it has in this Agreement for any reasons, unless it is determined to be in the best interests of the RDA.

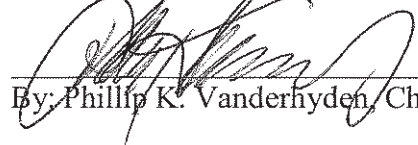
SECTION 4.04. SEVERABILITY. If any provisions of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

SECTION 4.05. CERTIFICATE OF COMPLETION. Upon completion of the improvements by Vans and review of the improvements by RDA, the RDA will provide Vans with an appropriate instrument certifying that the improvements have been made in accordance with this Agreement.

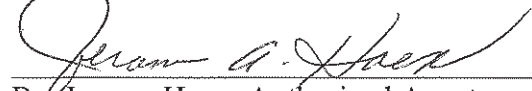
SECTION 4.06. TERMINATION. This agreement shall terminate upon the sale and transfer of last Lot from Vans to a third party or on December 31, 2020, whichever comes first.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the 14th day of September, 2016.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF MENASHA


By: Phillip K. Vanderhyden, Chairman

VAN'S REALTY AND CONSTRUCTION OF APPLETON, INC.


By: Jerome Haen, Authorized Agent