



CONNOR

FOREST INDUSTRIES, INC.

POST OFFICE BOX 847 • WAUSAU, WI 54401 • 715/842-0511

August 25, 1986

City Of Wausau, Wisconsin
Wausau, WI 54401

RE: Purchase Of Property In Wausau, Wisconsin
From Connor Forest Industries, Inc.

Gentlemen:

The City of Wausau ("the City") has been considering the purchase from Connor Forest Industries, Inc. ("CFI") of certain property located on Thomas Street in the City ("the CFI Property"). The City is concerned about potential liabilities that it may incur if it purchases the CFI Property because of contamination to the CFI Property (including soils and groundwater) from chemical contaminants, some of which may have originated from the operations of Connor Forest Industries ("CFI") or its predecessors on the property.

As an inducement to the City to purchase the CFI Property from CFI, CFI hereby agrees to indemnify and hold the City harmless from and against all liabilities (including third party claims), costs, expenses or charges (including reasonable attorneys' fees) (collectively referred to as "Liabilities") that the City may incur as a result of purchasing or owning the CFI Property to the extent that such Liabilities are incurred because of groundwater, surface water or soil conditions caused by operations of CFI or its predecessors on the CFI Property. The City agrees that it shall promptly notify CFI of any monitoring or remedial action that it may be requested or required to take respecting environmental contamination of the CFI Property by the Wisconsin Department of Natural Resources ("the DNR"), the U.S. Environmental Protection Agency ("the EPA") or any other regulatory agency and, to the extent that such environmental contamination may have originated from operations on the CFI Property, the City shall afford CFI the right and opportunity to discuss such requested or required actions with the DNR, the EPA or such other regulatory agency and, if CFI so chooses, to protest, appeal or otherwise challenge the appropriateness or necessity of such requested or required actions, through the agencies, the courts or otherwise, all at CFI's expense and under CFI's control. The City agrees that it will promptly notify CFI of any third party claims asserted against it to which the City may be entitled to indemnification hereunder, and the City shall afford CFI the right and opportunity to defend and settle such claim at CFI's expense and under CFI's control.

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The City agrees that it shall permit CFI and its agents reasonable access to the CFI Property for the purpose of undertaking monitoring and remedial actions (including the drilling and sampling of wells) requested or required by the DNR, the EPA or any other regulatory agency as the result of environmental contamination.

The indemnification provisions of this letter agreement specifically exclude any liability resulting from contaminants which do not originate from operations on the CFI Property. By accepting and executing this letter agreement, the City shall not be deemed to have waived any rights or claims to which it may be entitled now or in the future under any statute, rule, regulation or under the common law. This letter agreement shall not be construed as an admission that CFI has caused any environmental contamination on the CFI Property, and shall not be construed to deny CFI any rights of contribution or indemnification it may have against any parties other than the City with respect to any liability, cost or expense indemnified against hereunder. This letter agreement shall become void if the City does not purchase the CFI Property by December 31, 1987.

Please execute and return a copy of this letter to confirm the City's agreement with its terms.

Very truly yours,

CONNOR FOREST INDUSTRIES, INC.

By P. W. Poes.

Agreed to this 27th day of August, 1986:

CITY OF WAUSAU

By John L. Kannenberg
John L. Kannenberg, Mayor

BY Gary Lee Klingbeil
Gary Lee Klingbeil, Clerk



SNE Corporation

A Sentry Enterprise

August 22, 1986

910 Cleveland Avenue
P.O. Box 1007
Wausau, WI 54401
715 845-1161

City of Wausau, Wisconsin
Wausau, WI

RE: Purchase of Property in Wausau, Wisconsin
from Connor Forest Industries, Inc.

Gentlemen:

SNE Corporation ("SNE") is aware that the City of Wausau ("the City") has been considering the purchase from Connor Forest Industries, Inc. ("CFI") of certain property located on Thomas Street in the City ("the CFI Property"). The City is concerned about potential liabilities that it may incur if it purchases the CFI Property because of contamination to the CFI Property (including soils and groundwater) from chemical contaminants, some of which may have originated from the operations of SNE or its predecessors on the property on Cleveland Avenue in the City currently owned by SNE ("the SNE Property").

SNE does not believe that the City would incur any liabilities due to activities which may have been undertaken on the SNE Property. However, as an inducement to the City to purchase the CFI Property from CFI, SNE hereby agrees to indemnify and hold the City harmless from and against all liabilities, (including third party claims), costs, expenses or charges (including reasonable attorneys' fees) (collectively referred to as "Liabilities") that the City may incur as a result of purchasing or owning the CFI Property to the extent that such Liabilities are incurred either because of groundwater, surface water or soil conditions caused by operations of SNE or its predecessors on the SNE Property or because of pentachlorophenol groundwater contamination under the CFI Property. The City agrees that it shall promptly notify SNE of any monitoring or remedial action that it may be requested or required to take respecting environmental contamination of the CFI Property by the Wisconsin Department of Natural Resources ("the DNR"), the U.S. Environmental Protection Agency ("the EPA") or any other regulatory agency and, to the extent that such environmental contamination may have originated from operations on the SNE Property or as a result of pentachlorophenol groundwater contamination (including dioxins and furans to the extent they originate in the pentachlorophenol), the City shall afford SNE the right and opportunity to discuss such requested or required actions with the DNR, the EPA or such other regulatory agency and, if SNE so chooses, to protest, appeal or otherwise challenge the appropriateness or necessity of such requested or required actions, through the agencies, the courts or otherwise, all at SNE's expense and under SNE's control. The City agrees that it shall also promptly notify SNE of any third-party claims asserted against it to which the City may be entitled to indemnification hereunder, and the City shall afford SNE the right and opportunity to defend or settle such claim at SNE's expense and under SNE's control.

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August 22, 1986
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The City agrees that it shall permit SNE and its agents reasonable access to the CFI Property for the purpose of undertaking monitoring and remedial actions (including the drilling and sampling of wells) requested or required by the DNR, the EPA or any other regulatory agency as the result of environmental contamination originating from operations on the SNE Property.

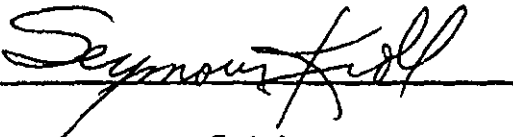
Except for liability associated with pentachlorophenol groundwater contamination, the indemnification provisions of this letter agreement specifically exclude any liability resulting from contaminants which do not originate from operations on the SNE Property. No provision of this letter agreement shall be construed as an admission by SNE that it or its predecessors have caused any environmental contamination of the CFI Property (including soils and groundwater) or that SNE has any liability therefore to the City (other than as provided for herein) or CFI. This letter agreement shall not be construed to deny to SNE any rights of contribution or indemnification it may have with respect to any liability, cost or expense incurred by SNE in connection with this letter agreement.

By accepting and executing this letter agreement, the City shall not be deemed to have waived any rights or claims to which it may now or in the future be entitled under any statute, rule or regulation or under the common law. This indemnity shall not apply to contamination from any activities conducted on the CFI Property after the date hereof. THIS letter agreement shall become void if the City does not purchase the CFI Property by December 31, 1987.

Please execute and return a copy of this letter to confirm the City's agreement with its terms.

Very truly yours,

SNE CORPORATION

By 

Agreed to this 27th day of August, 1986:

CITY OF WAUSAU

By 
John L. Kannenberg, Mayor

BY 
Gary Lee Klingbeil, Clerk