MEETING NOTICE

THERE WILL BE A MEETING OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION AT 6:00 P.M. WEDNESDAY, JULY 2, 2008 AT THE COMMISSION OFFICE 6100 SOUTHPORT ROAD PORTAGE, IN

WORK STUDY SESSION BEGINS AT 5:30 P.M.

AGENDA

1. Call to order by Chairman Bill Biller

2. Pledge of Allegiance

3. Recognition of Visitors and Guests

4. Approval of Minutes of June 4, 2008

5. Chairman’s Report
   • Change of Command Ceremony held July 1 – New Colonel Vincent V. Quarles

6. Action Required:
   Finance:
   • Budget Transfer
   • Approval of claims for June 2008
   • Approval of O&M claims for June 2008

   Land Acq:
   • Approval of 2 increased offers
     - DC 1303
     - DC 1342
7. Executive Director’s Report
   • Project Status on acquisitions/utilities
     - Stage V-2
     - Stage VII
     - Stage VIII
   • Update on NSRR option to Stage V-2 contract
   • RDA draw request - $1.6 million/utilities
   • Meeting held on June 10 at Wicker Park Club House re: Stage V-2 Construction progress
   • Hammond Mayor’s Night Out presentation on June 26

8. Standing Committees
   A. Finance Committee – Report by Treasurer Kent Gurley
      • Financial status report for end of May 2008
      • Audit by State Board of Accounts for years 2006 and 2007 received
      • Corps letter withdrawing $720,000 from escrow account

   B. Land Acquisition/Land Management Committee – Committee Chair Bob Marszalek
      Land Acquisition
      • Appraisals, offers, acquisitions
      • Meeting at Munster Town Hall held on June 16 – property easements approved

      Land Management
      • Status of 26 acres agreement with LEL – Attorney Casale

   C. Project Engineering Committee – Committee Chair Bob Huffman
      • Engineering Committee meeting scheduled for 4:30 – 5:30
      • Status of Stage V-2 pipeline corridor
      • Griffith levee certification - Report
      • Status of SVII & SVIII daylighting
      • Status of VII & SVIII utility status spread sheets
      • Forest Avenue levee status

   D. Operation & Maintenance – Committee Chair Bob Huffman
      • Status of inspections - late July or early August
      • Status on sluice gate/flap gate repairs
      • Status summary of Gary O&M turnover – Follow-up meeting scheduled for July 17

   E. O&M Funding Committee – Committee Chair Kent Gurley

   F. Legislative Committee – Committee Chair
      • Discussion on H.R. 3121

   G. Environmental Committee – Committee Chair

   H. Recreational Development Committee – Committee Chair Bob Huffman

   I. Policy Committee – Committee Chair Bob Marszalek

9. Other Issues / New Business

10. Statements to the Board from the Floor

11. Set date for next meeting; adjournment
Chairman William Biller called the meeting to order at 6:05 p.m. Seven (7) Commissioners were present. Pledge of Allegiance was recited. Guests were recognized.

**Development Commissioners:**
- Mark Gordish
- Robert Huffman
- Steve Davis
- William Biller
- Robert Marszalek
- Arlene Colvin
- David Burrus

**Visitors:**
- Bill Petrites – Highland resident
- Elizabeth Johnson – Congressman’s Office
- Karen Lorenz – Southmoor Road, Hammond
- Imad Samara – Corps of Engineers
- Traci Powell – IDNR
- Susan Brown – The Times
- Mike Zarantarello – Southmoor Road
- Cy Hueter - citizen
- Erlik Potter – Post Tribune
- Lynne Whelan - USACOE
- Vanessa Villarrel - USACOE
- Roy Evans – Purdue Engineering Dept.
- Mark Reshkin – former Commission member
- Charlie Ray – former Commission member

The minutes of the meeting held on May 7, 2008 were approved by a motion from Bob Huffman; motion seconded by Steve Davis; motion passed unanimously.

**Chairman’s Report** — Chairman Biller presented an appreciation plaque to both Mark Reshkin and Charlie Ray, former members of the Commission, for their dedicated service to the Commission for the years they have served. Dr. Reshkin served on the Board from 2000 – 2007 and Charlie Ray served from 2003 thru 2007.
- Chairman Biller introduced David Burrus as a new member replacing Charlie Ray. He is an appointment of the Porter County Commissioners.

**Action Required** — In Treasurer Kent Gurley’s absence, Mr. Gardner presented items for action. He referred to the revised claim sheet in the amount of $224,195.89. Mr. Marszalek proceeded to make a motion to approve the May monthly claims; the motion was seconded by Bob Huffman; motion passed unanimously.
- Mr. Gardner then referred to the O&M claims in the amount of $3,275.91; motion seconded by Bob Huffman; motion passed unanimously.
- Mr. Gardner then asked for approval of the Munster claim in the amount of $4,040, which will be drawn from the town of Munster. Arlene Colvin made a motion approving the processing of the Munster claim; motion seconded by Bob Marszalek; motion passed unanimously.
- There was one increased offer on DC-1370. Original offer was for $4,507; new offer is for $8,707 (due to overlooked fence & landscape damage and relocation of two sprinkler heads). Bob Marszalek made a motion to approve the increase; motion seconded by Bob Huffman; motion passed unanimously.
Executive Director’s Report — Mr. Gardner distributed a letter to the residents on Southmoor Road in Stage VIII, which addressed their questions regarding the project area. The letter included the Commission’s legislation as well as a Corps proposed drainage system map. The area will be photographed before and after construction, for the residents’ protection as well as the contractor. It was stated we will be as fair as possible with the residents but we must move along and move toward completion. We will meet with the group and individually, to discuss particular offers.

• Mr. Gardner referred to a written request from a resident in Stage V-2 in the Hawthorne Woods area requesting a meeting to talk about the ongoing construction, landscaping in that area, etc. The letter was addressed to the Commission, as well as Frank Mrvan Jr. (Wicker Park North Township Trustee) and Tom DeGuilio (Munster Town Manager). The meeting is scheduled for 6:30 on June 10 at the Wicker Park Club House.

• Mr. Gardner also stated that he will attend the Hammond Mayor’s Night Out to talk about the flood control project in Hammond

• It was announced that Mr. Gardner will be on Channel 11 at 7:00 June 9 on the Chicago Tonight show where a segment on the Blue Heron Rookery will be shown.

• Attorney Casale reported that he is still attempting to work out an agreement with NSRR to avoid going to trial. He did request authority to send a letter to the Corps in case we do go to trial and requesting Federal intervention, if needed. Commissioner Bob Marszalek made a motion to authorize the attorney to write the letter to the Army Corps requesting Federal intervention in the lawsuit LCRBDC vs. NSRR, if negotiations break down and an agreement cannot be reached; motion seconded by Bob Huffman; motion passed unanimously.

• Jim Pokrajac stated he has received quotes from six companies to perform daylighting services needed for pressurized lines in Stage VII & Stage VIII utilities. Commissioner David Burrus made a motion to procure the services of TLC Plumbing for the lowest estimated bid amount of $8100; motion seconded by Bob Huffman. After further discussion on how to cap the amount without the contractor having to come back to the Board for additional approval if the amount goes over the $8100, especially because of the time constraint, Dave Burrus amended the motion to read “award the contract to TLC Plumbing for $8100 using unit pricing to determine the final cost based upon time and material above or below the base bid’’; motion seconded by Bob Huffman; motion passed unanimously.

• Mr. Gardner stated that Dyer Construction is removing some undefined catch basins and drain tiles found in the V-2 Cabela’s construction area. The work was given to Dyer because they were mobilized on the site and it was work that had to be done immediately in order for them to proceed with the V-2 construction segment. We will be receiving an invoice from Dyer for this additional work.

• Mr. Gardner referred to the letter in the packet from Roy Deda, Corps Deputy for Project Management concerning their decision to delay the advertisement and award of the Stage VIII construction contract. Although all efforts have been put into getting all the needed real estate so we can sign a ROE, there are still easements that have not been acquired. A legal timeline for remaining condemnation is being prepared. Land acquisition requires a good faith effort to acquire willingly based upon appraisal and, if needed, negotiation. Some trusts which control property must be legally advertised before we begin condemnation. This further delays taking possession. The Chicago Army Corps has been
restricted from advertising without easement possession, a change from previous contracts.

Finance Committee – In Committee Chairman Kent Gurley’s absence, Mr. Gardner referred to the financial statements for April in the agenda packet. Finance action has already been taken.
- Mr. Gardner also stated that we have not yet received a report from the State Board of Accounts for audit years 2006 and 2007.

Land Acquisition/Land Management Committee – Committee Chairman Bob Marszalek referred to Judy Vamos for a report. She reported that acquisition is ongoing for Stage VII and Stage VIII and construction is ongoing for Stage V-2.
- Mrs. Vamos reported that Stage VIII is our priority. Out of 92 total needed easements, 10 are city of Hammond easements that have been signed; 12 are Munster easements under review; 4 INDOT, 1 NICTD and 1 CSX easements are under review; 12 landowners are waiting for a meeting to discuss project/offers; 35 residential have closed; 2 are in condemnation; 5 more are ready to be filed for condemnation; and 10 are in negotiations.
- Regarding land management issues, Attorney Casale stated that he is working on an agreement for LEL regarding their proposal for the ±26 acres east of Clay Street in Lake Station and will have it available for the July meeting.

Project Engineering Committee – Committee Chairman Bob Huffman gave the committee report. Mr. Huffman reported that a Stage VII 50% review meeting was held on May 19th. Jim Pokrajac added that the meeting was attended by the municipalities, pipelines, and utilities and went very well. The Corps' design is getting close to the 100% level and we should be receiving it soon for final review.
- Regarding the Stage V-2 pipeline corridor, there are still several pipelines that we do not have an agreement with at this point. Attorney Casale has been reviewing suggested language change in the agreement with Wolverine and Explorer. Mr. Gardner will write a letter to Conoco addressing how payment will be made on the utility work; and T-Cubed is in the process of being reviewed by their attorney. Mr. Gardner added that the funding for the pipeline/utility relocations will come from the second draw of the RDA funds and will be put into an escrow account earmarked for utilities.
- Mr. Huffman asked for an update on the Griffith levee certification. Mr. Gardner will send copies of the draft report developed by the Corps to the Engineering Committee members for their review. He stated that we did allow dollars in our estimated gap funding chart to cover the estimated cost for the Griffith levee. Mr. Gardner will present a scope of services at next month’s meeting for review.
- Jim Pokrajac stated that surveys are being done now on the eight houses on Forest Avenue in Hammond. This is the levee that was built back in the 80's by the city of Hammond in compliance with Army Corps specifications. After the survey is complete, we will meet on site with the Corps inspection team to determine what needs to be done to certify the levee. At the very least, a public easement needs to be acquired from the property owners.
- Jim Pokrajac referred to the letter in the packet that the Army Corps wrote to Superior Construction, who constructed the Burr Street Betterment Levee Phase 2-Gary. Upon inspection by the Corps, they found some areas unsatisfactory regarding to plantings, vegetation, and erosion control. The Corps stated that it is still within the one-year
contingency/corrective period and are asking Superior to assume the responsibility to remediate.
• Jim Pokrajac stated that he talked to the town of Highland and INDOT regarding the construction of the pump station west of Indianapolis Blvd. in Highland. He stated that contract is still scheduled for advertisement in February 2009 and construction will happen next year. A coordination meeting will be held shortly between Highland and INDOT. INDOT does not want to delay the project because they do not want to jeopardize the funding.

*Operation & Maintenance Committee* – Committee Chairman Bob Huffman stated that inspections should be scheduled shortly. Jim Pokrajac stated the Army Corps staff has prioritized to complete Stage VII & VIII prior to doing inspections at this time. It is hoped they will take place in late July or early August.
• Mowing will be done in about two weeks.
• Austgen Electric has almost completed all corrective measures to the sluice/flap gates. Only two locations are left. The river levels have been a problem because of all the rain we have had.
• Relative to the O&M turnover in the city of Gary, Dan Gardner and Attorney Casale met with Gary city officials. A time schedule was agreed upon; attorneys Casale and Carmouche will finalize draft agreement for O&M acceptance. We are working toward final approval to go to the city in August. Final inspections need to happen before then. The Commission will do a transfer of surplus land to the City. A follow-up meeting has been scheduled for 11:00 a.m. July 17. Agreement should be ready to go before Board of Public Works and Gary Stormwater Board in August for approval.

*O&M Funding Committee* – There was no report but Imad Samara did state that, at his request, he provided Treasurer Kent Gurley with a funding chart.

*Legislative Committee* – Mr. Gardner stated that he will work with RDA for the next drawdown of funds (to be used for utility relocation costs). He also needs to see how to proceed with the State since the RDA funds are a “loan”.

*Environmental Committee* – Mr. Gardner referred to the highlights in the agenda packet of the Little Calumet River Watershed Management Plan prepared by R. W. Armstrong Company for the city of Gary Storm Water Management District.

*Recreation Committee* – There was no report.
*Policy Committee* – There was no report.
*Other Business* – There was none.

*Statements from the Floor* – Mike Zarantonello of Southmoor Avenue in Hammond brought up several issues. He questioned the sandbagging of the levee. Imad said that the sandbagging that would be done is within the freeboard of the levee top across streets. Jim Pokrajac added that it would be the responsibility of Hammond on the north side and Munster on the south side. In past flooding situations, the municipalities respond immediately. There is a flood emergency response plan in place. Mr. Zarantonello also
expressed displeasure in how Garcia Surveying attempted to contact the residents so surveys could be performed on their property. The residents took offense that the Commission’s letter to them implied that it was their “fault” the surveys were not done sooner. Jim Pokrajac added that, at this point in time, it was his understanding that all the surveys were re-done to stake out the modified center line at the request of the residents. Mr. Zarantonello asked the Corps if the V-section where the wall and levee meet will be filled in and Mr. Samara stated he would check and let him know. Imad will also check if the easement has been modified to reflect that only 15’ is needed from the center line of the wall.

Imad stated that the levee at Cabela’s will tie it in to the Corps levee. The contractor is using it for access at the present time but it will tie in; a continuous line of protection will be provided. Imad also stated that a pedestrian bridge will be provided west of Indianapolis Blvd. and south of the river by the bus terminal.

• Karen Lorenz of Southmoor Avenue in Hammond stated that an arborist has been contacted, as well as a real estate broker, to advise the residents on Southmoor. They also wish to engage an engineer to review the Corps plans for drainage to see if they are adequate. Mrs. Lorenz also expressed displeasure on how Garcia Surveying attempted to contact them for property access. She also informed the Board that a bill has been passed in the Senate and now going to the House that would require residents living in a flood plain to carry flood insurance. Imad Samara stressed that the intent of this levee project is to prevent flooding from the river and not to get people out of the floodplain. Being relieved of paying for flood insurance is only part of the benefit of the construction.

Mrs. Lorenz also stated that she would hope that the residents have three months to respond back to the Commission, since that is how long it took before receiving a written response to them from the Commission/Corps.

There being no further business, the meeting was adjourned. The next scheduled Board meeting is set for 6:00 p.m. on Wednesday, July 2, 2008.
RECOMMENDATION FOR FUND TRANSFER INTO ADMINISTRATIVE ACCOUNT

$ 5,789.72 From High Balance Savings Account interest
-$ 20,720.62 From Escrow Account interest
$ 38,054.35 From In-House project funding
$ 64,564.69 Total transfer

- Recommendation for Action – To transfer a total of $64,564.69 (interest monies + remaining $700,000 note) from the three accounts into the Administrative Account in order to cover current pending invoices
### Monthly Budget Report

**Little Calumet River Basin Development Commission**

#### 2008 Budget Report

<table>
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<tr>
<th>Account</th>
<th>2008 Budget</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
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| Total                             | 1,226,025.00| 0.00    | 15,651.73| 91,292.32| 203,850.18| 133,920.06| 224,195.89| 144,251.42| 913,161.60| 3,427,941.40|

**Notes:**
- Administrative expenses noted.
- Budgeted balances are calculated based on the allocated totals.
- Circled amounts indicate variance or corrections were applied.
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APPROVAL TO PAY THE FOLLOWING INVOICES
FROM O&M FUND
JULY 2, 2008

- $1,685.00 to Austgen Electric Inc. for cleaning screen at North Burr Street pumping station
- $1,685.00 to Austgen Electric Inc. for cleaning screen at East Grant Street Station pumps
- $1,685.00 to Austgen Electric Inc. for cleaning screen at #32 Marshalltown
- $1,685.00 to Austgen Electric Inc. for cleaning screen at #13A
- $55.29 to T-Mobile for costs incurred for cell phone for engineer field work; monthly service 5/11/08 – 6/10/08

Total O&M costs  -  $6,795.29
# Little Calumet River Basin Development Commission
## Financial Statement
**January 1, 2008 - May 31, 2008**

### Cash Position - January 1, 2008
- **Checking Account**
  - Land Acquisition: 192,304.22
  - General Fund: 81,335.09
  - Tax Fund: 0.00
  - Investments: 89,504.55
  - Savings: 13,568.68
  - **Total**: 376,712.54

### Receipts - January 1, 2008 - May 31, 2008
- **Lease Rents**: 14,480.20
- **Interest Income (from Checking)**: 705.98
- **Land Acquisition**: 629,269.32
- **Escrow Account Interest**: 7,151.94
- **Misc. Receipts**: 49,828.80
- **KRHC Reimbursement Re: Telephone Charge Transferred from Savings**: 692.36
- **City of Munster for Properties**: 8,813.85
- **Total Receipts**: 726,421.45

### Disbursements - January 1, 2008 - May 31, 2008
**Administrative Expenses Paid in 2008**
- PER DIEM: 68,261.17
- **Legal Services**: 3,400.00
- **NIRPC**: 1,416.65
- **Travel & Mileage**: 54,072.51
- **Printing & Advertising**: 841.20
- **Bonds & Insurance**: 1,090.91
- **Telephone Expense**: 6,738.25
- **Meeting Expense**: 3,700.97
- **Moving Allocation**: 113.50
- **Other Expenses**: 43,117.23
- **Engineering Services**: 93,450.00
- **Total Administrative Expenses**: 166,959.76

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### Cash Position - May 31, 2008
- **Checking Account**
  - Land Acquisition: 207,807.65
  - General Fund: 9,043.77
  - **Total Funds in Checking Account**: 216,851.42

### Chase Savings Account Balance
- **Land Acq in House Project Funds**
  - O & M Monies: $81,537.76 (Original $700,000 note)
  - SAVINGS INTEREST: $7,849.72
  - SAVINGS INTEREST: $3,851.35

### Total Savings
- **Available**: $20,729.62

### Total of All Accounts
- **319,109.80**
Planning, Programs and  
Project Management Division

Bank One, Indiana, NA  
1801 Kennedy Avenue  
Schererville, IN 46375

SUBJECT: Little Calumet River Project Construction Fund Escrow Account Number 7500-0244-4747

To Whom It May Concern,

The Department of the Army hereby issues a written request for withdrawal of $720,000 from the referenced escrow account in accordance with the escrow agreement entered into on August 19, 1990.

Please provide the amount requested above in the form of electronic fund transfer. Please use the instructions in the attached sheet to perform this transaction. If you have any question please call Imad Samara at 312-846-5560.

Sincerely,

[Signature]
John D. Drolet  
Colonel, U.S. Army  
District Commander

Copies Furnished:

Mr. Dan Gardner  
Executive Director  
Little Calumet River Basin Development Commission
SAVINGS SUMMARY

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<td>2</td>
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Annual Percentage Yield Earned This Period: 1.66%
Interest Paid This Period: $113.06
Interest Paid Year-to-Date: $960.12

You could earn an even higher interest rate on your Chase Business High Yield Savings account if you link it to a qualifying checking account. Visit any of our branches for details or call us at the telephone number on your statement.

Your monthly service fee was waived because you maintained an average savings balance of $10,000 or more during the statement period.

TRANSACTION DETAIL

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30 deposited items are provided with your account each month. There is a $0.20 fee for each additional deposited item.
July 2, 2008

Ms. Sherri Shabaz  
Executive Assistant  
Regional Development Authority  
9800 Connecticut  
Crown Point, Indiana 46307

Dear Sherri:

Enclosed please find a copy each of the claim voucher and voucher abstract forms that we use for drawing monies from the State Budget Agency, altering them to fit our circumstance with the RDA. This document number will be RDA2008-Z. (I have also enclosed a copy of the proposed RDA funding draw-down schedule.) The amount needed for Draw-down #2 is $1.8 million and is based upon the actual costs that have been submitted by the pipelines/utilities for the ongoing construction Stage V-2 (Kennedy to Northcote, including Hart Ditch). These costs have been found compensable by the U.S. Army Corps of Engineers and are approved for payment by the LCRBDC. As documentation, I am including the spread sheet of the utility relocations with dates of negotiations/agreements received and costs for the work to be performed. We are requesting the release for payment of $1.8 million as a number of the utilities need assurance of speedy turn-around as actual claims are received. Only invoices for actual work performed will be submitted to be paid, based upon documented work claims.

Please advise as to how to proceed to have the $1.8 million released for payment either to an escrow account or for payments of individually submitted claims, as the agreements with the utilities require financial commitment to effect closure.
Stage V-2 construction is currently ongoing under contract with Dyer Construction and these utility agreements are needed as part of the recently-approved Norfolk Southern railway easement agreement and the NIPSCO utility easement agreement. With the legal issues now resolved on these easements, the utility commitments are now needed immediately to allow construction to complete on schedule. Stage V-2 is required to be completed to allow for the Cabela’s and Interstate Plaza development and the removal of approximately ½ of Hammond residents and all of Highland from the flood plain.

Draw-down #2 was originally submitted to include easement acquisition as well as approximately $1100 of utility relocations to be released approximately June 1. The actual amount is greater due to recent more accurate figures and to the fact that the IEDC, as we have stated in our portrayal to Mr. Sheldrake with the financial status, never was able to release the proposed $1,250,000 which was needed for utility modifications/relocations.

The total of the two releases bring the amount to $3,181,111, which is slightly higher than the previously-estimated $3 million shown in the original proposed draw-down schedule. I would be happy to answer any additional questions and we look forward to working with you for the release of the funds.

Sincerely,

Dan Gardner
Executive Director

/sjm
encl.
cc: William Sheldrake, Policy Analytics
    Tim Sanders, EX-DIR, RDA
    Lou Casale, LCRBDC attorney
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<td>• Federal Construction Cash Match ($1,400,000)</td>
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<td>$500,000</td>
<td>• Utility Relocations/Public Easements ($500,000)</td>
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<td></td>
<td>Breinigsville PA 18031</td>
<td></td>
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<tr>
<td>BP Amoco</td>
<td>8230 Whitcomb</td>
<td></td>
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<td></td>
<td>Merrillville IN 46410</td>
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<tr>
<td>Wolverine (formerly EXXON/Mobil)</td>
<td>8075 Creekside Drive</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suite 210</td>
<td></td>
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<td></td>
<td>Portage MI 49024</td>
<td></td>
<td></td>
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<tr>
<td>NIPSCO</td>
<td>801 E. 86th Avenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merrillville IN 46410</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Specific Questions

1. **Why is the river between the berms being made wider**
   a. When flow reaches a wider location it slows
   b. When the flow slows, it drops the sediment
   c. When the sediment drops, it builds islands
   d. The islands collect debris and block the river
   e. The blocked flow goes around the islands and debris,
   f. This erodes the bank and threatens the berm
   g. Solution – Narrow the river and berm system to the same size as the bridge opening
   h. This keeps the flow steady.
   i. The steady flow prevents the deposition of sediment
   j. With no sediment, no trees or other debris will accumulate
   k. The bank will be maintained
   l. The levees will not be threatened over time
   m. Therefore in the wider locations the levees need to be moved inward toward the river to prevent the blockage of future flow.
   n. Moving the levees back to widen the river will cause extensive maintenance problems It took nearly two years to have the debris pile removed the first time, and it had replaced itself within 2 months.
   o. See photo series showing the old beach line, and the effects of less than two years of damage from sedimentation in a wide area. To widen the river would cause more sedimentation, more blockage, and the increased risk of failure.

2. **Why not dredge the sedimentation**
   a. There is between 2.5 and 5 feet of sedimentation in most of the river.
   b. You can stick a stick down 3 feet at the shore, and about 5 feet at the island.
   c. Removal of this sedimentation would eliminate the need to add the top 3-5 feet to the berm system
   d. The dredging could be continued on the Illinois side upon completion of the project. You cannot keep Indiana and Illinois separate hydrologically
   e. Narrowing the berms, and dredging the bottom could greatly reduce the impact on the homeowners, the environments, and will serve to protect the levee system in the future.

3. **Paving flood insurance under HR 3122**
   a. The people that already signed easements have in their contract that flood insurance will no longer be required.
   b. Current legislation states that flood insurance would be required for all so protected people.
   c. Will the little Calumet commission pay for the coverage of insurance to keep with the contract, or will the people that signed have to pay insurance.
   d. The new levee system will be 5 feet higher. This potentially puts 100’s if not 1000s of more people in the flood plain.
   e. These people will all now be required to pay flood insurance.
   f. When will all these people be notified that upon completion of the levee system they will now be required to pay flood insurance.
   g. If the levees are moved riverward, and the river dredged & banks restored, the height can be lowered, and less additional people will require flood insurance.

4. **Hydrological connectivity with Illinois**
   a. All work so far shows calculations to the Illinois state line.
   b. Current design does not include the results of the continuation to Illinois, and the attachment to the Thornton bypass and deep tunnel project
   c. With calculations for the connection the levee system would not require the same level of protection, and could be reduced in elevation
   d. Are we sacrificing speed of completion in Indiana, for a proper consideration of the project as a whole.
   e. Are we over building for a few years protection now, that will be totally unnecessary for the next several hundred years?
(ACTION)

We are requesting approval of an increased offer tonight for:

DC 1303: Offer is $260,000 increased 15% ($39,000) to $299,000. Landowner believes our original offer is below fair market value but is willing to accept the increased offer. Property is located at the Calumet Avenue and I-80/94 intersection.

DC 1342: Offer is $520 increased $1480 to $2000. Landowner believes our original offer is below fair market value but is willing to accept the increased offer. He wanted $2,500 but will accept $2,000.

Both increases have been approved by the Corps for crediting.

STAGE V UPDATE – (Kennedy to Northcote)

The two Options still open on the Stage V Contract are coming to a close. We have come to an agreement with NIPSCo (DC 1112/1113) and the Norfolk & Southern Railroad (DC 1169). We anticipate our Commissioners will vote approval of the agreements tonight and the documents will be recorded as soon as possible.

STAGE VII UPDATE – (Northcote to Columbia)

Of the 34 offers sent to landowners:
28 landowners have accepted and are recorded.
2 are in condemnations
1 utility is reviewing engineering (BP Pipelines)
3 private landowners have accepted and we're in process of signing paperwork

STAGE VIII UPDATE: (Columbia to Illinois state line)

Of the 92 offers sent to landowners:
79 landowners accepted
8 are in condemnations
4 private landowners are accepting offers and we're in the process of signing paperwork.
1 landowner still in negotiations (CSX Railroad reviewing engineering)
<table>
<thead>
<tr>
<th>NAME (PLEASE PRINT)</th>
<th>ORGANIZATION, ADDRESS, PHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Brown</td>
<td>The Times</td>
</tr>
<tr>
<td>Iman Samara</td>
<td>USAEC</td>
</tr>
<tr>
<td>David Hans</td>
<td>Christopher B. Burke Engineering, Ltd.</td>
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<tr>
<td>Brian McKenna</td>
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<td>Vanessa Villarreal</td>
<td>U.S. Army Corps of Engineers</td>
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<td>Lynne Whelan</td>
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<td>Carolyn March</td>
<td>Sand Ridge Audubon Society</td>
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<tr>
<td>Rust Morey</td>
<td>Southmoor Rd. Group</td>
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<td>Kevin Cappo</td>
<td>River Drive Group</td>
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<tr>
<td>Doug Lorenz</td>
<td>Southmoor Rd. Group</td>
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<td>Stacie Broutman</td>
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<td>Tina Katkoski</td>
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<td>Mike Zarantonello</td>
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<tr>
<td>Erik Potter</td>
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<tr>
<td>Irene Semara</td>
<td>Southmoor Rd. Group</td>
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<tr>
<td>Pat Albin</td>
<td>Post Tribune</td>
</tr>
<tr>
<td>Bill Petrites</td>
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</table>
Meeting follow up
From: mike zarantonello (mzar59@hotmail.com)
Sent: Mon 6/09/08 1:15 PM
To: dgardner@nirpc.org (dgardner@nirpc.org); imad.samara@lrc02.usace.army.mil
(imirad.samara@lrc02.usace.army.mil)

From: mzar59@hotmail.com
To: ckutkoski@hotmail.com; kmlorenz@kotecki-turek.com; rmores@kellypipe.com
Subject: 
Date: Mon, 9 Jun 2008 12:53:28 -0500

Mr. Gardner,

my letter today is a follow up to the June 2008 Commission meeting.

There is confusion about the size and location of the easement, relative to the center of the line of protection, in our yard. I asked why it had to be 25+ feet. Mr. Samara disagreed with my assertion and said that the revised plans would not cause us to lose our shed and that the surveys of 4/30 and 5/30 by Garcia must be incorrect. He also said that the easements would be 15 feet.

The land acquisition offer, which you said was consistent with the final plan, shows that on the eastern boundary of our yard the c-line of protection is at the end of our property line and that the easement is 25.46 feet. The plan clearly shows the shed in the easement and the offer pays for the loss of the shed. This is also depicted on plan sheet C-05, rev. date 1/2008 which was supplied by Garcia, as well as, C-05 rev. date 5/2008 which the commission supplied at the meeting.

I ask that the Corp and the commission review the plans to confirm the 25+ foot easement and answer my question as to why it had to be so large.

Speaking solely for myself, this confusion coupled with other inconsistencies has shaken my confidence that you will do the best job you can in our backyard. I remind you that Mr. Samara also said the survey in the fall of 2007 was incorrect, but it clearly was in sync with the plans provided by the Corp.

We spoke at the meeting about HR 3121 and that it required that those who are protected by a levee will have to pay flood insurance. Mr. Samara said that the Corp never promised flood insurance relief. They only promise to take people out of the flood plain. I ask that
the
commision make a statement as to the difference between the two and how this will
affect
the residents along the project.

I also asked about the Cabelas berm. Can you please tell us when the Corp and
Cabelas
consulted to design the berm to be Corp certified. We never received a clear answer
on how
the gaps along this berm would be treated to complete the continuous line of protection
on
the northern tie back.

Referring again to plan sheet C-05, a rip rap window is required from station 5 + 20 to
9 + 40.
Rip rap is an application of rock or crushed concrete placed on a bank to prevent wave
erosion.
It was stated in previous conversations that trees on the river side of the levee would
remain,
however, the use of rip rap would not allow this. Is it true that all trees on the river
bank would
would be clear cut for the rip rap? Where else will rip rap be used along Southmoor,
including the
south river bank? It should be pointed out that the resident wild life will be unable to
graze the
river bank if rip rap is applied.

I hope that you will make it a top priority to address these issues. I look forward to
your response.

Mike Zarantonello

Search that pays you back! Introducing Live Search cashback. Search Now!

It's easy to add contacts from Facebook and other social sites through Windows Live™ Messenger. Learn How.
State Board of Accounts

Room E418, Indiana Government Center South
Indianapolis, IN 46204-2738

EXAMINATION REPORT
OF
LITTLE CALUMET RIVER BASIN
DEVELOPMENT COMMISSION
PORTER COUNTY, INDIANA

January 1, 2006 to December 31, 2007
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<th>Page</th>
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<tr>
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<td>Schedules of Receipts, Disbursements, and Cash and Investment Balances</td>
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<td>Notes to Financial Information</td>
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<td>Examination Results and Comments:</td>
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<td>Condition of Records</td>
<td>6</td>
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<td>Receipts Not Written</td>
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<td>Exit Conference</td>
<td>7</td>
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<td>Official Response</td>
<td>8</td>
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<td>Office</td>
<td>Official</td>
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<tr>
<td>Executive Director</td>
<td>Dan Gardner</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Arline Colvin</td>
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<td></td>
<td>Kent Gurley</td>
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<tr>
<td>Chairman of the Board</td>
<td>William Biller</td>
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</table>
INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the Little Calumet River Basin Development Commission (Commission), for the period of January 1, 2006 to December 31, 2007. The Commission's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Commission for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

May 7, 2008

STATE BOARD OF ACCOUNTS
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

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<tr>
<th>Governmental Funds:</th>
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<th>Disbursements</th>
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<td>Interest</td>
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<td>Debt Service Reserve (Marina Sand)</td>
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<td>Burr Street Phase II</td>
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<td>639,119</td>
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<td>Land Acquisition</td>
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<td><strong>$997,549</strong></td>
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<td><strong>3,060,177</strong></td>
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The accompanying notes are an integral part of the financial information.
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Commission was established under the laws of the State of Indiana (IC 14-13-2). The Commission provides for the creation, development, maintenance, administration and operation of the park, recreation, marina, flood control and other public works projects within the Little Calumet River Basin. The Commission operates under an appointed governing board.

Note 2. Fund Accounting

The Commission uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level.

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depositary Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Commission to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Long Term Debt

The revenue bond debt, for marina construction, which was entered into on October 1, 1996, was transferred to the Town of Portage.
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The Commission does not have a control ledger listing all fund activity (receipts, disbursements, and balances). A control ledger should be reconciled to the total of all bank accounts in the Commission's trust. Ledger pages are loose and not well organized. Outstanding check lists do not indicate the date of the check or the check number. The Bookkeeper prepares a "Statement of Receipts and Disbursements - All Funds" report for internal purposes. This report does not include all funds. The Construction Escrow, Design, Marine Sands, and Burr Street Phase II Funds are not listed on this report. Hence, reconciling all bank accounts to all funds in total is a cumbersome process.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Special Districts State of Indiana, Chapter 10)

RECEIPTS NOT WRITTEN

The accountant did not write receipts for all deposited items. Receipts were not written for direct deposits from the state, for transfers from the saving funds (Construction and O&M) to the General Fund and for transfers from the Burr Street Phase II Fund to the General Fund. Counter/cashier checks are obtained by Officials to withdraw funds from the savings accounts. These withdrawals are then deposited into the checking account. Receipts are not written at the time of transfer.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts State of Indiana, Chapter 10)
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on May 7, 2008, with Dan Gardner, Executive Director; Sandy Mordus, Business Coordinator; and Judy Penn, Accountant for Partner Agencies. The official response has been made a part of this report and may be found on page 8.
May 16, 2008

State Board of Accounts:

Audit Comment #1
The Commission does not have a control ledger listing all fund activity (receipts, disbursements, and balances). A control ledger should be reconciled to the total of all bank accounts in the commission's trust. Ledger pages are loose and not well organized. Outstanding check lists do not indicate the date of the check or the check number. The bookkeeper prepares a "Statement of Receipts and Disbursements – All Funds" report for internal purposes. This report does not include all funds. The Construction Escrow, Design, Marina Sands, and Burr Street Phase II funds are not listed on this report. Hence, reconciling all bank accounts to all funds in total is a cumbersome process.

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Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making.

LCRBDC Comment: The Commission staff will establish a single control ledger listing all fund activities and keep accounts current. The Commission will explore both manual as well as computerized record keeping addressing this in the future.

Audit Comment #2
The accountant did not write receipts for all deposited items. Receipts were not written for direct deposits from the state, for transfers from the savings funds to the General fund and for transfers from the Burr Street Phase II fund to the General fund. Counter/cashier checks are obtained by officials to withdraw funds from the savings accounts. These withdrawals are then deposited into the checking account. Receipts are not written at the time of transfer.
Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment.

LCRBDC Comment: We will make sure that all deposits will be recorded with a receipt.

[Signature]
Dan Gardner, Executive Director
Little Calumet River Basin
Development Commission
## LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
### MONTHLY BUDGET REPORT CORRECTED

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WORK STUDY SESSION
July 2, 2008
5:30 – 6:00 p.m.

ACTION ITEMS:

Finance:
• Approval of Budget transfer
• Approval of claims for June 2008
• Approval of O&M claims for June 2008

Land Acq:
• Action on 2 increased offers

Authorizations:
• Approval to enter into agreement with NSRR
• Approval to enter into agreement with NIPSCO

IMPORTANT DISCUSSION:
Stage VIII Acquisition Progress Status
PROJECT AGREEMENT TO COVER CONSTRUCTION OF

PROJECT AFFECTING

NORFOLK SOUTHERN RAILWAY COMPANY TRACKS AND PROPERTY

BETWEEN

THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION

AND

NORFOLK SOUTHERN RAILWAY COMPANY

THIS AGREEMENT, made this _____ day of ________________, 2008, by and among the Norfolk Southern Railway Company (hereinafter called the “Railway”), a Virginia corporation whose mailing address is Three Commercial Place, Norfolk, Virginia 23510-2191 and the Little Calumet River Basin Development Commission, an instrumentality of government created pursuant to the Indiana Code, Title 14-6-29.5-2 (hereinafter called the “Commission”), whose mailing address is 6100 Southport Road, Portage, IN 46368.

WITNESSETH:

WHEREAS, the Commission desires to construct a flood protection levee and ancillary improvements in conjunction with the United States Army Corps of Engineers as outlined in the Local Cooperation Agreement dated August 16, 1990 and more specifically, as shown on the U.S. Army Corps of Engineers plans for the Little Calumet River, Indiana, Flood Control Project.

WHEREAS, a portion of the flood protection levee and ancillary improvements (hereinafter the “Project”) will affect property and facilities owned and operated by the Railway over which certain rights and privileges are desired by the Commission for the Project’s construction, operation and maintenance and the Railway is willing to grant the Commission easements by separate instrument (hereinafter called the “Easements”), insofar as it has the right to do so; and,

WHEREAS, it is desired by both parties that the work shall be carried out to accomplish the Project herein described; and

WHEREAS, the parties recognize that certain work will be or may be performed by Railway; and

WHEREAS, the parties desire to determine and agree upon the manner of performing work, the responsibilities of the parties and the procedures and method of reimbursing the Railway its costs;
NOW, THEREFORE, in consideration of the mutual covenants herein recited, the Railway and Commission do herein agree as follows:

SECTION 1
PLANS AND SPECIFICATIONS

1. Definitions:

   A. Plans: Engineering drawings and design and construction specifications for use in the construction of the Project, including any revisions, addenda and exhibits thereto. Plans shall include but not be limited to the following:

      i. Plans for all work affecting existing and proposed Railway facilities and/or operations including existing and proposed contours and topography.

      ii. Data regarding methods and procedures for performing work on Railway’s right of way.

      iii. Plans and specifications for shoring and sheeting upon and adjacent to Railway’s right of way.

      iv. Detailed sequence of work, including specific times and length of times, required for any work affecting Railway facilities or operations.

      v. Provisions for handling any existing and future electrical, mechanical or underground utilities, if any, through all proposed structures on Railway property as required by the Railway.

   B. Project: the construction of the portion of the flood protection levee and ancillary improvements, in conjunction with the United States Army Corps of Engineers (hereinafter called the “Corps”) as outlined in the Local Cooperation Agreement dated August 16, 1990, which is located within the boundaries of the Easements provided by the Railway.

   C. Contractor: It is agreed that the word “contractor” as used in this agreement shall apply to any and all contractor(s) and/or subcontractor(s), including their employees, agents and invitees, performing work on the Project upon the Railway’s right of way, which are under contract with and subject to direction of the Commission or the Corps.

   D. Exhibit 2: The estimate of cost to the Railway for railroad-related force account work and construction engineering required to support and complete the Project according to the Plans, which cost is to be reimbursed to the Railway by the Commission. It is understood and agreed by all parties that Indiana Harbor Belt
Railroad (IHBR) will have project-related costs that the Railway is responsible to pay for. IHBR force account work north of the Little Calumet River and Railway’s bills to the Commission will include any IHBR Costs that Railway has incurred. (Exhibit 2 is attached hereto and made a part hereof.)

E. Exhibit 3: Special Provisions for Protection of Railway Interest. (Exhibit 3 is attached hereto and made a part hereof). In the event of any conflict between Exhibit 3 and this Agreement, the Agreement shall control. A conflict exists where language herein is directly opposed to language in Exhibit 3. A conflict does not exist merely because the Agreement contains a requirement or prohibition not contained in Exhibit 3 and vice versa.

F. Exhibit 4: Specifications for Pipeline Occupancy of Norfolk Southern Corporation Property. (Exhibit 4 is attached hereto and made a part hereof to the extent technically applicable). In the event of any conflict between Exhibit 4 and this Agreement, the Agreement shall control. A conflict exists where language herein is directly opposed to language in Exhibit 4. A conflict does not exist merely because the Agreement contains a requirement or prohibition not contained in Exhibit 4 and vice versa.

2. Before any construction commences, the method, means and timing of construction plus drawings and detailed plans developed after the effective date of this Agreement will be forwarded to M.S. Dewberry, Chief Engineer – Design and Construction, 1200 Peachtree Street, N.W., Atlanta, Georgia 30309, for review and a determination that the plans do not unreasonably interfere with the Railway’s safety and operational requirements and comply with the federal and state laws and regulations addressing the safe maintenance and operation of railroad traffic and the adequacy of the foundations and structures supporting the railroad tracks, including, but not limited to: the track safety standards set forth at 49 C.F.R. § 213; the railroad operating practices as required by 49 C.F.R. § 218; the relevant Grade crossing signal system safety requirements of 49 C.F.R. § 234; the applicable rules, standards, and instructions governing the installation, inspection, maintenance, and repair of signal and train control systems, devices, and appliances set forth at 49 C.F.R. § 236; and the Federal Railroad Safety Act, 49 U.S.C. § 20101 et seq., and its implementing regulations (hereinafter “Railway Laws and Regulations”). The Railway’s determination shall be provided within thirty (30) days of receipt; however, upon request of Railway such time will be extended ten (10) working days. The contractor shall be required to comply with the Railway Laws and Regulations as defined herein.

3. All Project-related construction, upgrades, maintenance and relocations shall conform to Railway design standards and Engineering criteria, which shall be communicated to the Commission or the contractor by the Railway upon request, where doing so will not cause unreasonable delay to the Project or cause the Commission to bear additional incremental expense. All Project-related construction, upgrades, maintenance and relocations shall conform to Railway design standards and Engineering criteria regardless of expense or delay to Project construction where the
design standards and Engineering criteria are required by federal or state law or regulation. It is understood that, although the existing Railway facilities may not meet such design criteria or current standards, it will not be considered a betterment that the replacement facilities do so. Providing facilities that meet such requirements shall be done at no expense to the Railway.

4. The Commission shall maintain, at Commission expense, property erosion, sediment and drainage control at all locations affecting the Railway during and following construction necessitated by the construction and/or presence of the flood control features in a manner consistent with the Railway's obligation to comply with federal law and regulations regarding track support and structure.

5. If, at some future date, the Railway determines that additional track or facilities are required or needed due to future business activities, or alterations to existing tracks or facilities are required or needed in the area of the Project, the Railway will ensure that such activities or alterations do not interfere with the Project flood control structures. The Railway may not make any alteration to any aspect of the Project without the written consent of the Commission. The Commission will bear the incremental cost to the railway of accommodating the flood control structures. The Railway will determine such additional costs and will provide detailed accounts of the same upon request by the Commission. Payment will be made to the Railway by the Commission promptly upon billing by the Railway.

6. Due to unforeseen circumstances, overlooked items, errors, etc., that will impact the safe operation of the Railway or unreasonably interfere with Railway operations, the Railway shall have the right to submit to the Commission proposed modifications to the Plans as necessary during construction at no expense to the Railway. Nothing herein shall prevent any authorized Railway official, employee, or agent from stopping any activity of a contractor that may cause imminent danger, as set forth in Section 1, Paragraph 9. In addition, any modifications to the initial plans and specifications after the effective date of this Agreement shall be submitted to the Railway for review and a determination that the plans do not unreasonably interfere with the Railway's safety and operational requirements and comply with Railway Laws and Regulations. The Railway's determination shall be provided within thirty (30) days of receipt; however, upon request of Railway such time will be extended ten (10) working days. The contractor shall be required to comply with the Railway Laws and Regulations as defined herein.

7. The work necessary for the completion of the Project shall be performed or caused to be performed by the parties hereto in accordance with the terms of this agreement.

8. If any construction portion of the Project affecting the Railway continues for more than two (2) years from the date of this Agreement, the Railway shall have the right to review Plans and request alterations to the Project due to conditions, schedules, traffic patterns, or otherwise that have changed during said period.
9. Any authorized Railway official, employee, or agent has the right to stop any activity of a contractor if such activity may cause imminent danger to the Railway, or if such activity may cause imminent danger to the contractor’s personnel, equipment, material or facilities due to the Railway’s operation; provided that, the authorized Railway official, employee, or agent notifies the Corps’ Contracting Officer as soon as reasonably possible and requests that the Corps’ Contracting Officer also instruct the contractor to immediately stop the activity and initiate corrective action. The Corps’ contractors shall be prohibited from engaging in an activity that may cause imminent danger to the Railway, the contractor’s personnel, equipment, materials or facilities due to the Railway’s operation.

10. Except as herein provided, the Commission, acting through its or the Corps’ contractors, will construct the Project upon and/or adjacent to Railway’s property. The Railway will perform all work to the track and signal systems with its forces if any such work becomes necessary in connection with the Project.

SECTION 2
ENGINEERING, SUPERVISION AND SAFETY REQUIREMENTS

1. The Commission, acting through the Corps, shall have general charge of engineering for the Project, but nothing herein shall deny the Railway the reasonable right to place, at the Commission’s expense, inspectors on the Project work site on the Railway’s property, or to perform such reasonable engineering services as may be necessary for the work performed by its forces. Consistent with Section 1, paragraph 9, the inspector may instruct the contractor to stop any activity if such activity may cause imminent danger to the Railway, or if such activity may cause imminent danger to the contractor’s personnel, equipment, material or facilities due to the Railway’s operation; provided that, the inspector notifies the Corps’ Contracting Officer as soon as reasonably possible and requests that the Corps’ Contracting Officer also instruct the contractor to immediately stop the activity and initiate corrective action.

2. The contractor’s personnel and equipment may be working near operating tracks, and safety may then be a critical part of the operation. The contractor will be required to adhere to the safety requirements of the Railway when on Railway property including the items listed in Exhibit 3. This requirement does not relieve the contractor of its responsibility for additional safety requirements.

SECTION 3
COMMISSION’S AND CONTRACTORS’ RESPONSIBILITIES WHEN WORKING ON RAILWAY PROPERTY

1. The Commission and the contractors shall be required to:
A. Submit notification and the information listed below to M.S. Dewberry, Chief Engineer – Design and Construction, 1200 Peachtree Street, N.W., Atlanta, Georgia 30309, for review and a determination that there is not an unreasonable interference with the Railway’s safety and operational requirements and there is compliance with Railway Laws and Regulations at least 30 days before commencing work on the Railway’s right of way:

a. Data regarding methods, materials and procedures for performing work on the Railway’s right of way.

b. Plans and specifications for shoring and sheeting upon and adjacent to the Railway’s right of way.

c. A schedule in accordance with Paragraph 7.B.1 of Exhibit 3.

The Railway’s determination shall be provided within thirty (30) days of receipt; however, upon request of Railway such time will be extended ten (10) working days. The Railway shall provide the additional names, addresses, and telephone numbers of the Railway’s representatives who are to be contacted or notified as hereinafter required. Where more than one representative is designated, the area of responsibility of each representative shall be specified.

B. Perform all work in connection with the construction of the Project on or adjacent to the Railway’s property in accordance with the Plans and at such a time and in a manner that does not create a safety hazard.

C. Consult with the Railway’s Chief Engineering officer or his authorized representative on the time and manner of the construction of the Project.

D. Use, at all times, reasonable care and diligence to cooperate with officials of the Railway in order to avoid accidents, damages or unnecessary delay to, or interference with trains of the Railway. The contractor shall be prohibited from performing any work upon Railway’s tracks, from placing or operating any equipment thereon, and from placing any material closer to the tracks than 25.0 feet, without first: (i) notifying the Railway’s superintendent or his authorized representative; (ii) obtaining a response from the Railway indicating that it is safe to proceed with the work in the time and location set forth in the notification; (iii) waiting to proceed with the work until the appropriate flagmen are on site; and (iv) complying with all applicable safety requirements and procedures.

The above minimum 25.0 feet horizontal clearance shall be measured perpendicularly from the centerline of the nearest track to the closest point of any object or structure, temporary or permanent. These horizontal clearances apply to all structures and objects higher than the top of the top sub-ballast elevation.
E. Arrange with the Railway in writing if, at any time, the contractor desires a temporary grade crossing of the Railway’s tracks, or desires to use an existing private grade crossing that is not included in the Plans. If required by the Railway, the contractor and the Commission shall execute the Railway’s standard private grade crossing agreement, covering the use of the crossing desired, paying all contract, maintenance, removal and other costs, including flagging services furnished by the Railway, in connection with the crossing. It is understood, however, that the particular private grade crossing agreement to be executed may require modification of the standard private grade crossing agreement due to unique conditions at the crossing.

F. Immediately notify the Railway if any environmental hazard or contamination is found within the property boundaries of the Railway or located such that the possibility exist that it could involve Railway property or facilities.

G. Keep the property and track area of the Railway in a clean and orderly manner. The contractor shall be required to immediately clean any affected area and remove any refuse, construction debris or any other items near the Railway’s tracks. If the Commission or the contractor(s) fails to respond to the Railway’s request to clean the site in a timely manner, the Railway shall have the right to clean the area with its own forces or contract forces at the expense of the Commission. No employee, contractor, or agent of the Commission shall dispose of externally generated rubbish, garbage, or refuse, on Railway property, or in Railway dumpsters or trash receptacles. The Commission will handle removal from the Railway property such materials and be responsible for all costs associated therewith.

H. Upon completion of the work, the contractor(s) shall be required to and the Commission shall ensure that the contractor(s) remove from within the limits of the Railway’s property, all machinery, equipment, surplus material, falsework, rubbish, temporary buildings and other property of the Commission or its contractors(s) and leave the Railway’s property in a condition satisfactory to the chief engineering officer of the Railway or his authorized representative.

2. Any maintenance or inspection of any improvement of the Commission on the Railway’s property will be done by personnel employed by the Commission or the Corps for such work. The Commission will notify the Railway at least fourteen (14) days in advance of the time that any such maintenance or inspection will take place so proper rail traffic control, flagging and inspection can be arranged. All costs associated with such maintenance and inspection shall be borne by the Commission, including costs for the Railway flagging, inspection and train delays.

3. Nothing herein shall unduly interfere with Railway’s operations. The Commission does hereby agree to indemnify and save harmless the Railway from any and all claims for damages resulting from delays to the Project on the Railway’s property subject to this agreement due to Railway operations.
SECTION 4
FLAGGING

1. It shall be the responsibility of the Commission and the contractor to submit specific requests to the Railway contact to arrange for any flagging that may be the required for the Project. The Railway contact to arrange flagging is its Division Engineer, 8111 Nelson Road, Ft. Wayne, Indiana 46801, telephone (219) 493-5346, fax (219) 493-5316.

2. Any work on Railway property or any work that could affect Railway facilities or property may require flagging. The Railway shall have the sole authority to determine the extent of flagging needed during any activity on the Project. Requests and notifications of need for flagging will be in accordance with this Agreement.

3. The Railway will furnish flagging personnel at the expense of the Commission and will endeavor to do so within ten (10) working days notice in accordance with this Agreement. No delay to the Project will be claimed against the Railway if qualified flagging personnel are not available within this period, so long as the Railway has made diligent efforts to furnish flagging personnel.

4. The contractor shall be required to obey the instructions of Railway flagging personnel and shall not perform any activity requiring flagging unless Railway flagging personnel are present.

5. In the event of an emergency flooding event, the Commission must communicate and cooperate with the Railway’s Chief Operating Engineer or his designee prior to installing the closing structures consistent with the procedures set forth in the operations and management plan.

6. Once begun, if any of the contractor’s activities requiring flagging services are temporarily suspended, the contractor shall be required to give the Railway’s Division Superintendent or his authorized representative at least three (3) days’ notice before any proposed date to resume such work. No delay to the Project will be claimed against the Railway if qualified flagging personnel are no longer available within the three (3) day period.

7. No delay will be charged to the Railway in the event that flagging services are unavailable when requested by the Commission or the contractor, nor will delay be charged to the Railway when flagging personnel are pulled from Project activity for any reason deemed necessary by the Railway, so long as the Railway has made diligent efforts to furnish flagging personnel.
SECTION 5
NOTIFICATIONS

1. The Commission will notify the Railway of all the proposed dates of construction of the Project promptly after the dates have been determined. Construction activities will be coordinated with the Railway’s operations. No work of any kind will be commenced over or upon the Railway’s right of way or property until the Railway has been given thirty (30) days notification of the proposed dates of construction by the Commission.

2. The Commission or contractor shall be required to give the Railway at least ten (10) working days notice before the proposed starting date of any activity that may require flagging. Such notification shall include details of the type of work planned, the types of equipment to be involved, the distance to the nearest track from the work, and any other details required by the Railway.

3. In the event the Project is terminated for any reason, the Commission may serve formal notice of cancellation of the Project, or the portion of the Project that involves Railway property, upon the Railway and this agreement shall thereupon become null and void. The Commission shall reimburse the Railway for all costs and expenses incurred by it at the request of the Commission on account of the Project prior to such cancellation.

SECTION 6
PROJECT OWNERSHIP

Upon completion, the Project and all improvements which are a part thereof shall be owned by the Commission and shall at all times be in the full custody and control of the Commission.

SECTION 7
PROJECT MAINTENANCE

1. The Commission shall be solely responsible for the maintenance, repair, testing, or protection of said Project. When such work becomes necessary, except in the event of an emergency flooding event, the Commission shall notify the Railway’s Division Superintendent at least fourteen (14) days in advance of any need to perform such maintenance, repair, testing, or protection. Written notice shall go to: Norfolk Southern Corporation Division Superintendent, 8111 Nelson Road, Fort Wayne, Indiana, 46801, telephone (219) 493-5300, fax (219) 493-5316. All such activities shall require Railway flagging protection anytime workmen are on Railway property or working within 25 feet of the tracks and the Railway will endeavor to provide a qualified flagman in a timely manner. No work, however, will be allowed until a qualified flagman can be provided to monitor and protect all such activities. The Commission agrees that its personnel, contractors, agents, consultants, and any other person on Railway property in connection with such activities shall follow all
instructions given by the flagman. The Commission agrees to hold harmless the Railway from any accident or injury to any personnel, equipment, or material due to Railway activities, and the Commission will ensure that the Railway is provided with insurance in accordance with the limits and requirements of this Agreement.

2. In the event the Commission shall fail to maintain or shall improperly maintain the Project, resulting in its improvements or works becoming a source of danger to or likely to interfere with the operations of the Railway, subject to notice as set forth below, the Railway shall have the right to perform such maintenance or other work as may be necessary in the judgment of the Railway to eliminate such danger or interference or threatened danger or interference, at the cost and expense of the Commission. However, in such event, the Railway will ensure that work undertaken shall not compromise the purpose, functionality, or integrity of the Project. The Commission will promptly reimburse the Railway upon receipt of the Railway’s bill, the actual cost, including the cost of labor, materials, equipment, supervision and other expenses incurred by the Railway in the performance of such work.

3. The Railway agrees that it will provide thirty (30) days notice to the Commission of its intention to perform such maintenance or other work described in the preceding paragraph, except that the Railway may, at its sole discretion, undertake such work without notice where it determines that the conditions pose an immediate danger or imminent threat of interference with its operations. However, in such event, the Railway will ensure that work undertaken shall not compromise the purpose, functionality, or integrity of the Project and the Commission shall be notified of the work within two (2) working days.

4. If, at some future date, track or roadbed degradation occurs within 240 feet of any Project improvement and can be attributable to the presence, operation or maintenance of the Project, the Commission shall reimburse the Railway all cost associated with repair and rehabilitation of the track or roadbed. The term “track or roadbed” shall include rail and appurtenant metal hardware, crossties, ballast, subballast and supporting earth or embankment.

SECTION 8
RAILWAY LIABILITY

1. The Commission agrees that all portions of the Project located upon the property of the Railway shall be constructed without risk to the Railway and thereafter maintained and operated by the Commission at the sole risk of the Commission. The Railway shall not assume, or be required to assume, any liability or responsibility for loss or damage to the Project, or to any portion or portions thereof, or to any property or equipment of the Commission, its agents or its contractor(s), or for any injury to or death of any agent, servant or employee of the Commission, or any agent, servant or employee of the contractor(s), or to any property or equipment of the contractor(s), or that of its agent, employees or assigns, or for any injury to or death of any person employed by the contractor(s), its agent, employees or assigns, or to any third person,
arising out of or in any way connected with the construction, presence, maintenance, use or operation of the Project, unless said damage, loss, injury or death is caused solely by the willful misconduct of the Railway, its employees, agents, or assigns.

2. The Commission does hereby agree, to the extent permitted under state law, to indemnify and save harmless the Railway, its parent and any other corporation controlled by or under common control with the Railway, their officers, directors, agents and employees from and against all suits, actions or claims of any nature, or for any other or additional expense, including legal expenses, excluding legal cost arising from or associated with the acquisition of the subject Easements, including the eminent domain suit presently pending in U.S. District Court, Cause No.: 2:06-CV-358 RL APR arising out of or any way connected with the construction, presence, maintenance, use or operation of the Project, except where the damage, loss, injury or death is caused solely by the willful misconduct of the Railway’s employees, agents, or assigns.

3. The Railway accepts no responsibility for the adequacy of the design of the Project. The Commission agrees that the Project shall be constructed at no cost or expense to the Railway and that it will thereafter be properly operated and maintained by the Commission at no cost or expense to the Railway and no assessments or taxes on account of the Project or its construction, operation or maintenance shall be levied against the Railway in the future. In the event assessments or taxes are levied against the Railway on account of the Project or its construction, operation or maintenance, said assessments or taxes shall be promptly paid by the Commission at the Railway’s request.

4. The Railway accepts no responsibility for any environmental contamination created or exacerbated by the Commission, its agents or the Project. The Commission shall be responsible for the cost of any investigation and/or remediation of environmental contamination created or exacerbated by the Commission or its agents, by the Commission’s Project.

5. Any damage resulting from Project activities to properties adjacent to the Project site, in the vicinity of the Project site, or along the routes of the construction equipment shall be the responsibility of the Commission. The Railway shall be held harmless by the Commission for any such claims of damage or for degradation of property, structures, valuation or injury.

SECTION 9
INSURANCE

1. The Commission shall ensure that the contractor obtain, before commencing any work on Railway’s right of way or property, the following insurance coverage:

A. Commercial General Liability Insurance with a limit of not less than a combined single limit of $2 million each occurrence, $2 million general aggregate, and $2
million products/completed operations aggregate. Said policy or policies shall include “XCU” coverage;

B. Automobile Liability Insurance with limits as required by federal law or Indiana statute;

C. Workers’ Compensation Insurance with limits as required by federal law or Indiana statute;

The Commission shall require that the contractor furnish to the Railway’s Risk Manager, Three Commercial Place, Norfolk Virginia 23510-2191 a certificate of insurance evidencing the coverage specified hereinabove. Said certificate shall include a provision providing the Corps with thirty (30) days advance written notice of the cancellation of or material change in the insurance coverage. The Commission shall ensure that any notification given to the Corps is provided to the Railway’s Risk Manager within 5 days of receipt.

2. The Commission shall cause its contractor to obtain, before commencing work on Railway’s right of way or property, Railroad Protective Liability Insurance naming Railway as the named insured and having limits of not less than a combined single limit of $2 million each occurrence and $6 million aggregate. Said policy shall be issued on Insurance Services Office Form No. CG28311093 and shall include Pollution Exclusion Amendment Form No. CG28311093. The original Railroad Protective Liability Insurance Policy shall be furnished to Railway.

3. All insurance coverage shall be maintained until final inspection and acceptance of the Project, or that portion of the Project upon the Railway’s right of way or property, by the Commission and Railway.

4. The insurance required hereinabove shall in no way serve to limit the liability assumed by the Commission under this agreement.

SECTION 10
COSTS, BILLING AND REIMBURSEMENTS

1. All Force account work and other costs associated with the Project shall be paid for by the Commission. These costs shall include but not be limited to road grade crossing for construction hauling, flagging, other costs listed below and any other work considered necessary by the Railway. The cost of the work to be performed by the Railway, its contractor(s) or consultants, is estimated to be $629,600 and is specified in Exhibit 2. Such work shall include but not be limited to the following:

A. Engineering and plan review, including travel costs for Project inspections and meetings by the Railway personnel or representatives; independent consultants employed by the Railway for plan review, redesign, Project inspection, surveying
and other work shown to the Commission to be necessary by the Railway to protect its facilities and properly perform the work.

B. Cost to the Railway for accounting, billing and record keeping.

C. Any additional Project-related work necessary to be done by the Railway, but not included on a cost estimate.

2. Detailed estimates of the cost of such work are contained in Exhibit 2. The cost of the work as defined in this Section will be billed; this amount may differ from the estimated cost. The Commission agrees to promptly reimburse the Railway its cost to perform the work. The Railway shall verify such costs by receipts and disbursements as required by the Commission and in accordance with generally accepted accounting principles.

3. The Railway may bill the Commission either monthly or when the amount due the Railway equals ONE THOUSAND DOLLARS ($1,000.00) or more, for costs and expenses incurred by the Railway in connection with the Project. Such bills shall be paid within forty-five (45) days after receipt thereof.

4. The Commission will reimburse the Railway for any cost delays to the Railway operations resulting from Project activity. The Railway will provide the Commission with verification of such costs.

5. The Commission will reimburse the Railway its cost to furnish flagging services to protect the Railway’s operations due to the contractor’s activities.

6. It is understood and agreed between the parties hereto that in the event any costs incurred by the Railway with the written approval of the Commission in connection with the Project are not reimbursable under the Local Cooperation Agreement dated August 16, 1990, the Commission shall reimburse the Railway for all such costs.

7. The term “cost” or “costs” mentioned in this agreement for the Railway work shall mean the base cost of the item plus the additives shown on the estimated costs in Exhibit 2.

8. If there is any dispute regarding any billing by the Railway, payment shall be made by the Commission to the Railway. After the dispute is resolved, the Railway shall return any overpayment to the Commission if it is so determined that a refund is due.

SECTION 11
CONTRACTING RESPONSIBILITY

1. It is understood that various construction contracts covering work on the Project are subject to the terms of the Local Cooperation Agreement dated August 16, 1990. The Commission shall ensure that the requirements for contractors set forth in this
Agreement, including the attached Exhibits, are incorporated into the appropriate contracts.

SECTION 12
PROPERTY

1. The Railway hereby agrees to execute the Easements in the form attached hereto and marked Exhibit 1 by separate document to transfer the easement rights contained therein to the Commission. Notwithstanding any other provision of this Agreement, the transfer of easement rights in the Easements is unconditional.

2. The Commission shall pay the Railway $16,350.00 upon execution of this document and the Easements, which sum shall constitute the fair market value and sole consideration for the property rights transferred thereby.

3. The provisions of this agreement shall survive the delivery of the Easements to the Commission by the Railway.

SECTION 13
BINDER

This agreement, when properly executed, shall be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, Commission and Railway have cause their names to be signed and seals affixed by their duly authorized officials of the date hereof.

STATE OF INDIANA
THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION

By: ___________________________ Attest: ___________________________
Title: ___________________________ Title: ___________________________
Date: ___________________________ Date: ___________________________
EXHIBITS TO BE PROVIDED

EXHIBIT 1  DEED OF EASEMENT

EXHIBIT 2  ESTIMATE OF COST OF FIELD WORK INCLUDING THIRD PARTY BILLINGS FROM IHBR AND CONSTRUCTION ENGINEERING TO THE RAILWAY

EXHIBIT 3  SPECIAL PROVISIONS FOR PROTECTION OF RAILWAY INTEREST

EXHIBIT 4  SPECIFICATIONS FOR PIPELINE OCCUPANCY OF NORFOLK SOUTHERN CORPORATION PROPERTY
SPECIAL PROVISIONS FOR
PROTECTION OF RAILWAY INTEREST

1. GENERAL AUTHORITIES:

The authorized representative of the Railroad Company, hereinafter referred to as Railroad Engineer, shall have authority in all matters affecting the safe maintenance of Railroad traffic of his Company including the adequacy of the foundations and structures supporting the Railroad tracks and the necessity for flagging during construction, and shall exercise such authority in accordance with the procedures set forth in the Project Agreement.

The authorized representative of the Little Calumet River Basin Development Commission ("Commission") shall have authority over all other matters as prescribed herein, in the Project Agreement, and in the Project Specifications.

2. NOTICE OF STARTING WORK:

The contractor shall be required to comply with the notification requirements and conditions set forth in Section 3 of the Project Agreement prior to commencing any work on railroad rights-of-way.

3. INTERFERENCE WITH RAILROAD OPERATIONS:

A. The Contractor shall be required to so arrange and conduct his work to minimize interference with Railroad operations. The Contractor shall be required to so arrange and conduct his work so that there will be no interference with Railway signal, telephone and telegraphic services or damage to the property of the Railroad Company or to poles, wires, and other facilities of tenants on the rights-of-way of the Railroad Company. Whenever work is liable to affect the operations or safety of trains, the Contractor shall be required to provide notice to the Railroad Engineer at least 10 days prior to the scheduled work, and shall coordinate with the Railroad Engineer to ensure that such work does not create a safety hazard, but such coordination shall not relieve the Contractor from liability. The Contractor shall be required to comply with applicable Railway safety and operational requirements and comply with the federal and state laws and regulations addressing the safe maintenance and operation of Railroad traffic and the adequacy of the foundations and structures supporting the Railroad tracks, including, but not limited to: the track safety standards set forth at 49 C.F.R. § 213; the railroad operating practices as required by 49 C.F.R. § 218; the relevant Grade crossing signal system safety requirements of 49 C.F.R. § 234; the applicable rules, standards, and instructions governing the installation, inspection,
maintenance, and repair of signal and train control systems, devices, and appliances set forth at 49 C.F.R. § 236; and the Federal Railroad Safety Act, 49 U.S.C. § 20101 et seq., and its implementing regulations (hereinafter “Railway Laws and Regulations”). Any work to be performed by the Contractor that requires flagging service or inspection service shall be deferred by the Contractor until the flagging service or inspection service required by the Railroad is available at the job site.

B. Whenever work within Railroad rights-of-way is of such a nature that impediment to Railroad operations such as use of runaround tracks or necessity for reduced speed is unavoidable, the Contractor shall be required to schedule and conduct his operations so that such impediment is reduced to the absolute minimum.

C. Due to unforeseen circumstances, overlooked items, errors, etc., that will impact the safe operation of the Railway or will unreasonably interfere with Railway operations, the Railway shall have the right to submit to the Commission and the Contracting Officer proposed modifications to the Plans as necessary during construction at no expense to the Railway, and the contractor and the Commission will work diligently with the Railway to develop a remedy. If implemented, the Railroad shall not bear the cost of such modifications.

4. TRACK CLEARANCES:

A. The Contractor shall be required to maintain the minimum track clearances during construction as shown on the Project Plans. However, before undertaking any work within Railroad right-of-way, or before placing any obstruction over any track, the Contractor shall be required to:

1. Notify the Railroad’s representative at least 72 hours in advance of the work.

2. Receive assurance from the Railroad’s representative that arrangements have been made for flagging service as may be necessary.

3. Receive a response from the Railway indicating that it is safe to proceed with the work in the time and location set forth in the notification.

4. Ascertain that the Commission has received copies of notice to the Railroad and of the Railroad’s response thereto.

5. CONSTRUCTION PROCEDURES:

A. General:
Construction work and operations by the Contractor on Railroad property shall be:

1. Subject to the inspection of the Railroad.

2. In accord with all applicable Railway safety and operational requirements and comply with the Railway Laws and Regulations.

3. In accord with these Special Provisions.

B. Additional Plans and Specifications

Any additional drawings and detailed plans developed after the effective date of this Agreement shall also be submitted to the Railway for review and a determination that the plans do not unreasonably interfere with the Railway's safety and operational requirements and comply with the Railway Laws and Regulations. The Railway's determination shall be provided within thirty (30) days of receipt; however, upon request of Railway such time will be extended ten (10) working days. The Contractor shall be required to comply with the Railway Laws and Regulations as defined herein.

C. Modifications

Any modifications to the initial plans and specifications developed after the effective date of this Agreement shall be submitted to the Railway for review and a determination that the plans do not unreasonably interfere with the Railway's safety and operational requirements and comply with the Railway Laws and Regulations. The Railway's determination shall be provided within thirty (30) days of receipt; however, upon request of Railway such time will be extended ten (10) working days. The Contractor shall be required to comply with the Railway Laws and Regulations as defined herein.

D. Excavation:

The subgrade of an operated track shall be maintained with edge of berm at least 10'-0" from centerline of track and not more than 24- inches below top of rail, unless permission to use a lesser distance is obtained from the Railroad Engineer. Contractor will not be required to make existing section meet this specification if substandard, in which case existing section will be maintained.

E. Excavation for Structures:

The Contractor will be required to take special precaution and care in connection with excavating and shoring pits, and in driving piles or sheeting for footings adjacent to tracks to provide adequate lateral support for the tracks and the loads.
which they carry, without disturbance of track alignment and surface, and to avoid obstructing track clearances with working equipment, tools or other material. All plans and calculations for shoring shall be prepared and signed by a Registered Professional Engineer. The Engineer will be responsible for the accuracy for all controlling dimensions as well as the selection of soil design values which will accurately reflect the actual field conditions. The procedure for doing such work, including need of plans and calculations for shoring, shall comply with the rules, regulations, and specifications provided by the Railroad Engineer to the Corps’ Contracting Officer, and shall first be subject to review and a determination by the Railroad Engineer pertaining to whether the procedure unreasonably interferes with the Railway’s safety and operational requirements and complies with Railway Laws and Regulations, but such determination shall not relieve the Contractor from liability. The Railway’s determination or comments regarding such plans and calculations for shoring shall be provided within thirty (30) days of receipt; however, upon request of Railway such time will be extended ten (10) working days.

F. Demolition, Erection, Hoisting

1. Railroad tracks and other railroad property must be protected from damage during the procedure.

2. The Contractor shall be required to submit a plan showing the location of cranes, horizontally and vertically and operating radii, with delivery or disposal locations shown. The location of all tracks and other railroad facilities as well as all obstructions such as wire lines, poles, adjacent structures, etc. must also be shown.

3. Crane rating sheets showing cranes to be adequate for 150% of the actual weight of the pick. A complete set of crane charts, including crane, counterweight, and boom nomenclature is to be submitted.

4. Plans and computations showing the weight of the pick must be submitted. Calculations shall be made from plans of the existing and/or proposed structure, showing complete and sufficient details with supporting data for the demolition or erection of the structure. If plans do not exist, lifting weights must be calculated from field measurements. The field measurements are to be made under the supervision of the Registered Professional Engineer submitting the procedure and calculations.

5. A data sheet must be submitted listing the types, size, and arrangements of all rigging and connection equipment.
6. A complete procedure is to be submitted, including the order of lifts, time required for each lift, and any repositioning or re-hitching of the crane or cranes.

7. All erection or demolition plans, procedures, data sheets, etc. submitted must be prepared, signed and sealed by a Registered Professional Engineer.

8. The Railroad’s representative must be present at the site during the entire demolition and erection procedure period.

9. The Railway shall have the right to review and determine whether any modifications or any additional plans created after the effective date of this Agreement involving demolition, erection, or hoisting do not unreasonably interfere with the Railway’s safety and operational requirements and comply with the Railway Laws and Regulations. The Railway’s determination regarding such additional plans or modifications shall be provided within thirty (30) days of receipt; however, upon request of Railway such time will be extended ten (10) working days. Such determination does not relieve the Contractor from liability.

G. Blasting:

The Contractor shall be required to not use explosives and/or blasting in any construction or maintenance activities.

H. Maintenance of Railroad Facilities:

1. The Contractor will be required to maintain all ditches and drainage structures free of silt or other obstructions which may result from his operations and provide and maintain any erosion control measures as required. The Contractor shall be required to promptly repair eroded areas within Railroad rights-of-way and repair any other damage to the property of the Railroad or its tenants.

2. All such maintenance and repair of damages due to the Contractor’s operations shall be done at no cost to the Railroad.

I. Storage of Materials and Equipment:

Materials and equipment shall not be stored where they will interfere with Railroad operations, nor on the rights-of-way of the Railroad Company without first having obtained permission from the Railroad Engineer, and such permission will be with the understanding that the Railroad Company will not be liable for damage to such material and equipment from any cause and that the Railroad
Engineer may move or require the Contractor to move, at the Contractor's expense, such material and equipment.

All grading or construction machinery that is left parked near the track unattended by a watchman shall be effectively immobilized so that it cannot be moved by unauthorized persons. The Commission shall protect, defend, indemnify and save Railroad, and any associated, controlled or affiliated corporation, harmless from and against all losses, costs, expenses, claim or liability for loss or damage to property or the loss of life or personal injury, arising out of or incident to the Contractor's failure to immobilize grading or construction machinery.

J. Cleanup:

Upon completion of the work, the Contractor shall be required to and the Commission shall ensure that the Contractor remove from within the limits of the Railroad rights-of-way, all machinery, equipment, surplus materials, falsework, rubbish or temporary buildings of the Contractor, and leave said rights-of-way in a neat condition satisfactory to the Chief Engineer of the Railroad or his authorized representative.

6. DAMAGES:

A. The Commission shall assume all liability for any and all damages to the Contractor's work, employees, servants, equipment and materials caused by Railroad traffic, unless said damage, loss, injury or death is caused solely by the willful misconduct of the Railway, its employees, agents, or assigns.

B. The Commission shall reimburse the Railroad for any costs incurred by the Railroad for repairing damages to its property or to property of its tenants, caused by or resulting from the operations of the Contractor.

7. FLAGGING SERVICES:

A. When Required:

Under the terms of the Project Agreement between the Commission and the Railroad, the Railroad has sole authority to determine the need for flagging required to protect its operations. In general, the requirements of such services will be whenever the Contractor's personnel or equipment are or are likely to be, working on the Railroad's right-of-way, or across, over, adjacent to, or under a track, or when such work has disturbed or is likely to disturb a railroad structure or the railroad roadbed or surface and alignment of any track to such extent that the movement of trains must be controlled by flagging.
Normally, the Railroad will assign one flagman to a project; but in some cases, more than one may be necessary, such as yard limits where three (3) flagmen may be required. However, if the Contractor works within distances that violate instructions given by the Railroad’s authorized representative or performs work that has not been scheduled with the Railroad’s authorized representative, a flagman or flagmen may be required full time until the project has been completed.

B. Scheduling and Notification:

1. The Contractor’s work requiring railroad flagging should be scheduled to limit the presence of a flagman at the site to a maximum of 40 hours per week. The Contractor shall be required to limit its work schedules so that a flagman’s presence is not required in excess of 40 hours per week, unless otherwise agreed by the Railroad.

2. Not later than the time that notification is initially sent to the Railroad in accordance with Section 3 of the Project Agreement, the Contractor shall be required to furnish to the Railroad and the Commission a schedule for all work required to complete the portion of the project within Railroad right-of-way and arrange for a job site meeting between the Contractor, the Contracting Officer, the Commission, and the Railroad’s authorized representative. Flagman or Flagmen may not be provided until the job site meeting has been conducted and the Contractor’s work scheduled.

3. The Contractor will be required to give the Railroad representative at least 10 working days of advance written notice of intent to begin work within the Railroad right-of-way in accordance with Section 3 of the Project Agreement. Once begun, when such work is then suspended at any time, or for any reason, the Contractor will be required to give the Railroad representative at least 3 working days of advance written notice before resuming work on Railroad right-of-way. Such notices shall include sufficient details of the proposed work to enable the Railroad representative to determine if flagging will be required. The Contractor shall be required to furnish the Commission a copy of the written notice. If flagging is required, no work shall be undertaken until the flagman, or flagmen are present at the job site. It may take up to 10 days to obtain flagging initially from the Railroad. When flagging begins, the flagman is usually assigned by the Railroad to work at the project site on a continual basis until no longer needed and cannot be called for on a spot basis. If flagging becomes unnecessary and is suspended, it may take up to 10 days to again obtain from the Railroad. No delay to the Project will be claimed against the Railway if qualified flagging personnel are not available within these periods, so long as the Railway has made diligent efforts to furnish flagging personnel. Due to Railroad labor agreements, it is necessary to
give 5 working days notice before flagging service may be discontinued and responsibility for payment stopped.

4. If, after the flagman is assigned to the project site, an emergency arises that requires the flagman’s presence elsewhere, then the Contractor shall be required to delay work on Railroad right-of-way until such time as the flagman is again available. No delay to the Project will be claimed against the Railway for such delay so long as the Railway makes diligent efforts to furnish flagging personnel as soon as reasonably possible.

C. Payment:

1. The Commission will be responsible for paying the Railroad directly for any and all costs of flagging which may be required to accomplish the construction.

2. The estimated cost of flagging is $650 per day based on a 10-hour workday. This cost includes the base pay for the flagman, overhead, and includes an estimated $50 per diem charge for travel expenses, meals and lodging. The charge to the Commission by the Railroad will be the actual cost based on the rate of pay for the Railroad’s employees who are available for flagging service at the time the service is required.

3. Work by a flagman in excess of 8 hours per day or 40 hours per week, but not more than 12 hours a day, will result in overtime pay at 1 and 1/2 times the appropriate rate. Work by a flagman in excess of 12 hours per day will result in overtime at 2 times the appropriate rate. If work is performed on a holiday, the flagging rate is 2 and 1/2 times the normal rate.

4. Railroad work involved in preparing and handling bills will also be charged to the Commission. Charges to the Commission by the Railroad shall be in accordance with applicable provisions of Subchapter B, Part 140, Subpart I and Subchapter G, Part 646, Subpart B of the Federal-Aid Policy Guide issued by the Federal Highway Administration on December 9, 1991, including all current amendments. Flagging costs are subject to change. The above estimates of flagging costs are provided for information only and are not binding in any way.

D. Verification:

1. The Contractor shall be required to review and sign the Railroad flagman’s time sheet (Form 11123), attesting that the flagman was present during the time recorded. Flagmen may be removed by the Railroad if form is not signed. If flagman is removed, the Contractor shall be required to refrain from re-entering the Railroad right-of-way until the issue is resolved. Any
complaints concerning flagman or flagmen must be resolved in a timely manner. If need for flagman or flagmen is questioned, please contact the Railroad Engineer. All verbal complaints will be confirmed in writing by the Contractor within 5 working days with a copy to the Highway Engineer. Address all written correspondence to:

Office of Chief Engineer  
Norfolk Southern Corporation  
Attn: David Orrison  
1200 Peachtree Street, N.E., 7th Floor  
System Engineer Public Projects  
Atlanta, Georgia 30309

2. The Railroad flagman assigned to the project will be responsible for notifying the Project Engineer upon arrival at the job site on the first day (or as soon thereafter as possible) that flagging services begin and on the last day that he performs such services for each separate period that services are provided. The Project Engineer will document such notification in the project records. When requested, the Project Engineer will also sign the flagman’s diary showing daily time spent and activity at the project site.

8. **HAUL ACROSS RAILROAD:**

A. Where the plans show or imply that materials of any nature must be hauled across a Railroad, unless the plans clearly show that the Commission has included arrangements for such haul in its agreement with the Railroad, the Contractor will be required to make all necessary arrangements with the Railroad regarding means of transporting such materials across the Railroad. The Commission will be required to bear all costs incidental to such crossings whether services are performed by his own forces or by Railroad personnel.

9. **WORK FOR THE BENEFIT OF THE CONTRACTOR:**

A. All temporary or permanent changes in wire lines or other facilities which are considered necessary to the project are shown on the plans; included in the force account agreement between the Commission and the Railroad or will be covered by appropriate revisions to same which will be initiated and approved by the Commission and/or the Railroad.

B. Should the Contractor desire any changes in addition to the above, then he shall make separate arrangements with the Contracting Officer in coordination with the Railroad for same to be accomplished at the Contractor’s expense.
10. COOPERATION AND DELAYS:

A. It shall be the Commission’s responsibility to arrange a schedule with the Railroad for accomplishing stage construction involving work by the Railroad or tenants of the Railroad. In arranging this schedule, the Commission shall ascertain, from the Railroad, the lead time required for assembling crews and materials and shall make due allowance therefore.

B. No charge or claim of the Contractor against the Railroad Company will be allowed for hindrance or delay on account of railway traffic; any work done by the Railroad Company or other delay incident to or necessary for safe maintenance of railway traffic or for any delays due to compliance with these special provisions.

11. TRAINMAN’S WALKWAYS:

Along the outer side of each exterior track of multiple operated track, and on each side of single operated track, an unobstructed continuous space suitable for trainman’s use in walking along trains, extending to a line not less than 10 feet from centerline of track, shall be maintained, unless permission for a lesser distance is obtained by the Railroad Engineer. Any temporary impediments to walkways and track drainage encroachments or obstructions allowed during work hours, while Railway’s protective service is provided, shall be removed before the close of each work day. If there is any excavation near the walkway, a handrail, with 10'-0" minimum clearance from centerline of track, shall be placed.

12. GUIDELINES FOR PERSONNEL ON RAILROAD RIGHT-OF-WAY:

A. All persons shall wear hard hats. Appropriate eye and hearing protection must be used. Working in shorts is prohibited. Shirts must cover shoulders, back and abdomen. Working in tennis or jogging shoes, sandals, boots with high heels, cowboy and other slip-on type boots is prohibited. Hard-sole, lace-up footwear, zippered boots or boots cinched up with straps which fit snugly about the ankle are adequate. Safety boots are strongly recommended.

B. No one is allowed within 25’ of the centerline of track without specific authorization from the flagman.

C. All persons working near track while train is passing are to lookout for dragging bands, chains and protruding or shifted cargo.

D. No one is allowed to cross tracks without specific authorization from the flagman.

E. All welders and cutting torches working within 25’ of track must stop when train is passing.
F. No steel tape or chain will be allowed to cross or touch rails without permission.

13. **GUIDELINES FOR EQUIPMENT ON RAILROAD RIGHT-OF-WAY:**

A. No crane or boom equipment will be allowed to set up to work or park within boom distance plus 15' of centerline of track without specific permission from railroad official and flagman.

B. No crane or boom equipment will be allowed to foul track or lift a load over the track without flag protection and track time.

C. All employees will stay with their machines when crane or boom equipment is pointed toward track.

D. All cranes and boom equipment under load will stop work while train is passing (including pile driving).

E. Swinging loads must be secured to prevent movement while train is passing.

F. No loads will be suspended above a moving train.

G. No equipment will be allowed within 25' of centerline of track without specific authorization of the flagman.

H. Trucks, tractors or any equipment will not touch ballast line without specific permission from railroad official and flagman.

I. No equipment or load movement within 25' or above a standing train or railroad equipment without specific authorization of the flagman.

J. All operating equipment within 25' of track must halt operations when a train is passing. All other operating equipment may be halted by the flagman if the flagman views the operation to be dangerous to the passing train.

K. All equipment, loads and cables are prohibited from touching rails.

L. While clearing and grubbing, no vegetation will be removed from railroad embankment with heavy equipment without prior notification to the Railroad Engineer and flagman, and unless it is in accordance with the Plans.

M. All unattended equipment that is left parked on Railroad property shall be effectively immobilized so that it cannot be moved by unauthorized persons.
N. All cranes and boom equipment will be turned away from track after each work day or whenever unattended by an operator.

14. INSURANCE:

A. In addition to any other forms of insurance or bonds required under the terms of the contract and specifications, the Prime Contractor will be required to carry insurance as required by Section 9 of the Project Agreement.
DEED OF EASEMENT

THIS INDENTURE, made and entered into this ___ day of ____________, 2008, by and between NORFOLK SOUTHERN RAILWAY COMPANY, Grantor, a corporation organized and existing under the laws of the State of the Commonwealth of Virginia, having its principal office in Norfolk, Virginia, Grantor, and the STATE OF INDIANA, acting by and through THE LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION, Grantee:

WITNESSETH: That the said Grantor, for and in consideration of the sum of SIXTEEN THOUSAND THREE HUNDRED FIFTY DOLLARS ($16,350.00), and other valuable consideration, paid by Grantee to Grantor, the receipt whereof is hereby acknowledged, does by these presents, GRANT unto Grantee, two permanent easements or rights of way, consisting of two (2) perpetual and assignable levee easements in, over and across the following described Real Estate owned by the Grantor and situated in the County of Lake, State of Indiana, in connection with the Little Calumet River, Indiana Local Flood Protection and Recreation Project as authorized by Section 401 of the Water Resources Development Act of 1986 (P.L. 99-662) to construct, maintain, repair, rehabilitate, operate, patrol and replace a flood protection levee, including all appurtenances thereto, and specifically including, but not limited to flood control closure devices across the Grantor’s trackline within the described easements; reserving, however, to the owners, their heirs and assigns, all such rights and privileges in the land as may be used without interfering with or abridging the rights and easements hereby acquired; subject however to existing easements for public roads and highways, public utilities, railroad and pipelines as long as they do not interfere with the project, and for the construction, operation and maintenance of the specific flood control structures in the approved plans of the Little Calumet River Flood Control Project over, across and upon the land as hereinafter described, being situated in the city of Hammond, 36 North Township, Lake County, Indiana, to wit:

TWO (2) PERMANENT LEVEE EASEMENTS OR RIGHTS OF WAY as herein described over, upon and across two parcels of land situate, lying and being in the City of Hammond, Indiana, and being more particularly described as follows to wit:

A parcel of land situated in the South 400 feet of that part of the West half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principal Meridian, lying North of the centerline of the Little Calumet River, in Lake County, Indiana, being more particularly described as follows:

1) Beginning at a point on the West line of the owner’s land lying 326.97’ North of the Northeast corner of block 1 of Wicker Park Manor as recorded in Plat book 25, page 12, Lake County, Indiana;

2) Thence N00° 20’36” E along the West line of said owner’s land, 163.01’;

3) Thence S75° 48’15” E, 43.26’;
4) Thence S86° 49'07" E, 58.07' to the East line of the owner's land;

5) Thence S00° 20'36" W along said East line, 175.72';

6) Thence N68° 03' 48" W, 49.25'; N81° 27'08" W, 54.76' to the point of beginning.

Said permanent Levee Easement Area is referred to as "Easement P-1" in the survey drawings dated May 16, 2007, prepared by Garcia Consulting, which drawings are attached hereto and marked Exhibit "A."

A parcel of land situated in the East 100 feet of that part of the West half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principal Meridian, lying South of the centerline of the Little Calumet River, in Lake County, Indiana, and being more particularly described as follows:

1) Beginning at a point on the West line of the owner's land lying 23.75' South of the Northeast corner of block 1 of Wicker Park Manor as recorded in Plat book 25, page 12, Lake County, Indiana;

2) Thence N00° 20'36" E along the West line of said owner's land, 139.70';

3) Thence S89° 35'53" E, 100.00' to the East line of the owner's land;

4) Thence S00° 20'36" W along said East line, 151.09';

5) Thence N89° 35'52" W, 50.87';

6) Thence N76° 33'01" W, 50.44' to the point of beginning.

Said permanent Levee Easement Area is referred to as "Easement P-2" in the survey drawings dated May 16, 2007, prepared by Garcia Consulting, which drawings are attached hereto and marked Exhibit "A."

SUBJECT, however, to such easements and restrictions as may appear of record or as may be apparent from an examination of the premises.

RESERVING, however, unto Grantor, its affiliates, subsidiaries, parent corporations, successors, assigns, licensees and lessees ("Grantor Parties") to the extent that it does not interfere with the construction, operation, repair, rehabilitation, replacement, and maintenance of the flood control structure, the right to continue to maintain, repair, renew and operate a railroad and appurtenances across the Levee Easement Areas and to construct such additional track(s) and other railroad facilities across said Levee Easement Areas and to maintain, repair, renew and operate the same as in the judgment of Grantor Parties may be requisite.
RESERVING, further, unto Grantor Parties, to the extent that it does not interfere with the construction, operation, repair, rehabilitation, replacement, and maintenance of the flood control structure, the right to install, construct, locate, maintain, repair and renew any fiber optic communications lines and associated structures and facilities related thereto across, under or over said Levee Easement Areas and to maintain, repair, renew and operate the same as in the judgment of Grantor Parties may be requisite.

TO HAVE AND TO HOLD the above described Levee Easements unto Grantee, its successors and assigns, so long as it or they may require the same for the purposes granted;

FURTHER, the Grantor and Grantee agree that: (a) Grantor shall not be required to assume any expense in connection with or incident to any construction, operation or maintenance of the flood control project facilities located within said Levee Easement Areas and shall be exempt from any and all charges, costs or assessments of any kind or character on account of the construction, maintenance, use or repair of said flood control project facilities located within said Levee Easement Areas under and across the aforesaid parcel of land or adjacent property of Grantor; (b) both parties shall comply with the Project Construction Agreement to Cover Construction of Project Affecting Grantor’s Tracks and Property between the Grantee and Grantor; (c) if, at any time, the Levee Easements herein granted or any part thereof, shall no longer be required by Grantee, its successors or assigns, for the purposes which granted, the same shall terminate and Grantee, its successors or assigns, shall execute such instruments as now provided or as may be hereinafter provided by law to clear title to the aforesaid property; and (d) upon termination of the Levee Easements for any reason, Grantee shall remove all facilities placed within the Levee Easement Areas and restore the property to a condition acceptable to Grantor’s Chief Engineering Officer or his designee.

In the event that any future Railroad operations require the Grantor to accommodate the Grantee’s Levee Easements hereby granted and Grantee’s facilities therein, the costs to the Grantor occasioned thereby shall be borne by the Grantee.

Also granted herewith are four (4) temporary and assignable easements and rights of way in, over and across the following described Real Estate owned by the Grantor and situated in the County of Lake, State of Indiana, in connection with the Little Calumet River, Indiana Local Flood Protection and Recreation Project as authorized by Section 401 of the Water Resources Development Act of 1986 (P.L. 99-662), for Six (6) months after completion of construction, beginning with date possession of the land is granted to the Little Calumet River Basin Development Commission, for use by the United States, its representatives, agents, and contractors as a work area, including the right to move, store and remove equipment and supplies, and erect and remove temporary structures on the land and to perform any other work necessary and incident to the construction of the Little Calumet Project, together with the right to trim, cut, fell and remove therefrom all trees, underbrush, obstructions, and any other vegetation, structures, or obstacles within the limits of the right-of-way. Upon completion of the work, the Grantee shall fence grade and seed the easements which are described as follows, to wit:

A parcel of land situated in the South 400 feet of that part of the West half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the
Second Principal Meridian, lying North of the centerline of the Little Calumet River, in Lake County, Indiana, and being more particularly described as follows:

1) Beginning at a point on the West line of the owner’s land lying 489.98’ North of the Northeast corner of block 1 of Wicker Park Manor as recorded in Plat book 25, page 12, Lake County, Indiana;

2) Thence N00° 20’36” E along the West line of said owner’s land, 10.29’;

3) Thence S75° 48’40” E, 44.76’;

4) Thence S86° 49’07” E, 56.61’ to the East line of the owner’s land;

5) Thence S00° 20’36” W along said East line, 10.01’;

6) Thence N86° 49’07” W, 58.07’;

7) Thence N75° 48’15” W, 43.26’ to the point of beginning.

Said temporary Levee Easement Area is referred to as “Easement T-1” in the survey drawings dated May 16, 2007, prepared by Garcia Consulting, which drawings are attached hereto and marked Exhibit “A.”

A parcel of land situated in the South 400 feet of that part of the West half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principal Meridian, lying North of the centerline of the Little Calumet River, in Lake County, Indiana, and being more particularly described as follows:

1) Beginning at a point on the West line of the owner’s land lying 316.90’ North of the Northeast corner of block 1 of Wicker Park Manor as recorded in Plat book 25, page 12, Lake County, Indiana;

2) Thence N00° 20’36” E, along the West line of said owner’s land, 10.07’;

3) Thence S81° 27’08” E, 54.76’;

4) Thence S68° 03’48” E, 49.25’ to the East line of the owner’s land;

5) Thence S00° 20’36” W along said East line, 10.68’;

6) Thence N67° 59’33” W, 50.96’;

7) Thence N81° 17’45” W, 53.21’ to the point of beginning.
Said temporary Levee Easement Area is referred to as “Easement T-2” in the survey drawings dated May 16, 2007, prepared by Garcia Consulting, which drawings are attached hereto and marked Exhibit “A.”

A parcel of land situated in the East 100 feet of that part of the West half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principal Meridian, lying South of the centerline of the Little Calumet River, in Lake County, Indiana, and being more particularly described as follows:

1) Beginning at a point on the West line of the owner's land lying 115.95' North of the Northeast corner of block 1 of Wicker Park Manor as recorded in Plat book 25, page 12, Lake County, Indiana;

2) Thence N00° 20'36" E along the West line of said owner's land, 10.00';

3) Thence S89° 35'53" E, 100.00' to the East line of the owner's land;

4) Thence S00° 20'36" W along said East line, 10.00';

5) Thence N89° 35'53" W, 100.00' to the point of beginning.

Said temporary Levee Easement Area is referred to as “Easement T-3” in the survey drawings dated May 16, 2007, prepared by Garcia Consulting, which drawings are attached hereto and marked Exhibit “A.”

A parcel of land situated in the East 100 feet of that part of the West half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principal Meridian, lying South of the centerline of the Little Calumet River, in Lake County, Indiana, and being more particularly described as follows:

1) Beginning at a point on the West line of the owner's land lying 23.75' South of the Northeast corner of block 1 of Wicker Park Manor as recorded in Plat book 25, page 12, Lake County, Indiana;

2) Thence S76° 33'01" E, 50.44';

3) Thence S89° 35'52" E, 50.87' to the East line of the owner's land;

4) Thence S00° 20'36" W along said East line, 53.54';

5) Thence N56° 08'46" W, 22.62';

6) Thence N23° 40'08" W, 34.03';

7) Thence N89° 35'58" W, 19.32';

8) Thence N76° 33'01" W, 49.25' to the West line of the owner's land;
9) Thence N00° 20'36" E along said West line, 10.27' to the point of beginning.

Said temporary Levee Easement Area is referred to as "Easement T-4" in the survey drawings dated May 16, 2007, prepared by Garcia Consulting, which drawings are attached hereto and marked Exhibit "A."

SUBJECT, however, to existing easements for public roads and highways, public utilities, railroads and pipelines, and to such other easements and restrictions as may appear of record or as may be apparent from an examination of the premises.

RESERVING, however, to the Grantor, its affiliates, subsidiaries, parent corporations, successors, assigns, licensees and lessees (collectively, the "Grantor Parties") all such rights and privileges as may be used without interfering with or abridging the rights and easements hereby acquired.

RESERVING, further unto Grantor Parties the right to continue to maintain, repair, renew and operate a railroad and appurtenances across the Temporary Easement Area, to construct such additional track(s) and other railroad facilities across said Temporary Easement Areas, and to maintain, repair, renew and operate the same as in the judgment of Grantor Parties may be requisite.

RESERVING, further unto Grantor Parties the right to install, construct, locate, maintain, repair and renew any fiber optic communications lines and associated structures and facilities related thereto across, under or over said Temporary Easement Areas, and to maintain, repair, renew and operate the same as in the judgment of Grantor Parties may be requisite.

TO HAVE AND TO HOLD the above-described Temporary Easement unto Grantee, its successors and assigns, so long as it or they may require the same for the purposes granted;

FURTHER, the Grantor and Grantee agree that: (a) any and all exercise of the Temporary Easement in regards to the movement, removal or storage of equipment and supplies, as well as the trimming, cutting or removal of trees or underbrush, etc., shall only be undertaken in conformance with the Project Agreement and Exhibit 3 thereto (Special Provisions for Protection of Railway Interest); (b) Grantor shall not be required to assume any expense in connection with Grantee's use of the Temporary Easement; (c) any entry by Grantee upon Grantor's land neighboring the Temporary Easement Areas must be in compliance with the normal requirements that the Grantor imposes for safety of the railroad and the construction workers, including, but not limited to, flag protection and other such items as may be appropriate at the time of entry, the expense thereof to be the sole responsibility of Grantee; (d) the Temporary Easement shall expire six months after the completion of the Little Calumet River Flood Control Project, Stage V-2, and no access across Grantor's property shall continue beyond that period; (e) upon termination
of the Temporary Easement, Grantee shall return the Temporary Easement Areas to a condition acceptable to Grantor's Chief Engineering Officer or his designee.

NOTWITHSTANDING any other provisions of this Deed of Easement or the Project Agreement, the two (2) permanent levee easements or rights of way conveyed by this Deed of Easement, as provided by the termination provision herein, shall only terminate, if they are no longer used or required by Grantee, its successors or assigns, for the purposes which they are granted. Likewise, the four (4) temporary easements and rights of way conveyed by this Deed of Easement, as provided by the termination provision herein, shall only terminate six months after the completion of the Little Calumet River Flood Control Project, Stage V-2. Specifically, non-compliance or violation of other provisions of this Deed of Easement or the Project Agreement shall not terminate the easements conveyed or be a basis of terminating the easements conveyed.

IN WITNESS WHEREOF, the said Grantor has caused these presents to be signed by its Real Estate Manager and its corporate seal attested by its Assistant Corporate Secretary, to be hereunto affixed the day and year first above written.

ATTEST:

NORFOLK SOUTHERN RAILWAY COMPANY
By:

Assistant Corporate Secretary

Real Estate Manager
STATE OF GEORGIA  
   ) SS:
COUNTY OF FULTON  

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named __________________ and __________________, known to me to be the Real Estate Manager and Assistant Corporate Secretary, respectively, of Norfolk Southern Railway Company, a Virginia corporation, and acknowledged the execution of the foregoing deed for and in the name of and on behalf of said corporation as their free and voluntary act and deed as the voluntary act and deed of said corporation.

WITNESS my hand and seal, this _____ day of ______________, 200__.  

My commission expires: ____________________

__________________________
Notary Public

This instrument prepared by:

Linda V. Hill
General Attorney - Real Estate
Norfolk Southern Corporation
1200 Peachtree Street, NE - 12th Floor
Atlanta, Georgia 30309-3579
NORTHERN INDIANA PUBLIC SERVICE COMPANY

EASEMENT AGREEMENT

KENNEDY AVENUE LEVEE – STAGE 5 – PHASE 2 LC 86 P2

This Agreement is made and entered into by and between Northern Indiana Public Service Company, an Indiana Corporation, hereinafter called "NIPSCO" and the State of Indiana, Little Calumet River Basin Development Commission, and its assigns and successors, and as further defined in the Agreement hereinafter called the "COMMISSION". This Agreement hereinafter shall be called the "Agreement".

1. For and in consideration of One Dollar ($1.00) and other good and valuable consideration the receipt of which is hereby acknowledged, NIPSCO, to the extent its title permits it to do so, does hereby grant to the COMMISSION a Flood Protection Levee Easement and Temporary Work Area Easement to construct, maintain and operate a Certified Flood Control Levee subject to the conditions contained in this Agreement ("Easement" or "Easements") upon and across NIPSCO's property located in Lake County Indiana, which Easements are further described as follows:

[DESCRIPTION FOLLOWS ON THE NEXT FOUR (4) PAGES]

[REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
TOTAL OWNERSHIP AREA
COUNTY: LAKE
SECTION: 16
TOWNSHIP: 36 NORTH
RANGE: 9 WEST
TAX KEY: 37-0047-0002
27-0003-0003
DC1112 & 1113

OWNER: NIPSCO
TOTAL OWNERSHIP AREA

WHITECO FIRST ADD.

DESCRIPTION OF PROPERTY:

NORTH OF RIVER (37-0047-0002):
W. 150 FT. OF E2. SW. (N. RIV.)
S.16 T.26 R.9 5.235 A.

SOUTH OF RIVER (27-0003-0003):
W. 150 FT. OF E2. SW. S. RIV.
S.16 T.36 R.9 3.869 A.

THE ABOVE LEGAL DESCRIPTIONS
WERE OBTAINED FROM THE REAL
ESTATE ASSESSMENT AND TRANSFER
RECORD CARDS, LAKE COUNTY,
INDIANA.

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Little Calumet River Basin Development Commission
6100 Southport Road  Portage, Indiana 46366

7501 Indianapolis Boulevard
Hammond, IN 46924
Phone: 219.989.1954
Fax: 219.989.3921
www.garcia-consulting.com

LITTLE CALUMET RIVER, INDIANA
LOCAL FLOOD PROTECTION

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EASEMENT DRAWING
FLOOD PROTECTION LEVEE EASEMENT
COUNTY: LAKE  
SECTION: 16  
TOWNSHIP: 36 NORTH  
RANGE: 9 WEST  
TAX KEY: 37-0047-0002  
27-0003-0003  
DC1112 & 1113  

OWNER: NIPSCO  

FLOOD PROTECTION LEVEE EASEMENTS  

EASEMENT P-1:  
A parcel of land in the East Half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principle Meridian, in the City of Hammond, Lake County, Indiana, said parcel being more particularly described as follows:  
Commencing at the northwest corner of Lot 14 in Highland Gardens as recorded in Plat Book 32, Page 76 in the Office of the Recorder, Lake County, Indiana; thence North 00°19'23" East along the east line of the Nipisco right-of-way a distance of 225.84 feet to the Point of Beginning;  
thence North 68°03'48" West a distance of 8.79 feet;  
thence South 00°00'00" West a distance of 26.40 feet;  
thence North 90°00'00" West a distance of 62.99 feet;  
thence North 00°00'00" West a distance of 39.21 feet;  
thence North 63°41'33" West a distance of 88.27 feet to the west line of the Nipisco right-of-way;  
thence North 00°20'36" East along said line a distance of 180.90 feet;  
thence South 86°49'07" East a distance of 99.48 feet;  
thence South 53°40'38" East a distance of 62.86 feet to the east line of the Nipisco right-of-way;  
thence South 00°19'23" West along said line a distance of 193.35 feet to the Point of Beginning, said parcel containing 0.75 acres, more or less.  

EASEMENT P-2:  
A parcel of land in the East Half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principle Meridian, in the Town of Highland, Lake County, Indiana, said parcel being more particularly described as follows:  
Beginning at the northwest corner of Lot 14 in Highland Gardens as recorded in Plat Book 32, Page 76 in the Office of the Recorder, Lake County, Indiana;  
thence South 00°22'00" West along the west line of said Lot 14 a distance of 93.07 feet;  
thence South 48°06'58" West a distance of 39.85 feet;  
thence South 89°55'02" West a distance of 14.74 feet;  
thence North 00°00'00" West a distance of 9.63 feet;  
thence North 89°39'54" West a distance of 103.99 feet;  
thence North 48°33'15" West a distance of 2.71 to the west line of the Nipisco right-of-way;  
thence North 00°20'36" East along said line a distance of 208.80 feet;  
thence South 89°38'53" East a distance of 160.34 feet to the east line of the Nipisco right-of-way;  
thence South 00°19'23" West along said line a distance of 100.00 feet to the Point of Beginning, said parcel containing 0.73 acres, more or less.
TEMPORARY WORK AREA EASEMENT
OWNER: NIPSCO

TEMPORARY WORK AREA EASEMENTS

EASEMENT T-1:
A parcel of land in the East Half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principle Meridian, in the City of Hammond, Lake County, Indiana, said parcel being more particularly described as follows:
Commencing at the northwest corner of Lot 14 in Highland Gardens as recorded in Plat Book 32, Page 76 in the Office of the Recorder, Lake County, Indiana; thence North 00°19'23" East along the east line of the Nipsco right-of-way a distance of 419.19 feet to the Point of Beginning;
thence North 53°40'39" West a distance of 62.86 feet;
thence North 86°49'07" West a distance of 99.48 feet to the west line of the Nipsco right-of-way;
thence North 00°20'36" East along said line a distance of 10.01 feet;
thence South 86°49'07" East a distance of 102.95 feet;
thence South 53°45'13" East a distance of 58.52 feet to the east line of the Nipsco right-of-way;
thence South 00°19'23" West along said line a distance of 12.45 feet to the Point of Beginning,
said parcel containing 0.037 acres, more or less.

EASEMENT T-2:
A parcel of land in the East Half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principle Meridian, in the City of Hammond, Lake County, Indiana, said parcel being more particularly described as follows:
Commencing at the northwest corner of Lot 14 in Highland Gardens as recorded in Plat Book 32, Page 76 in the Office of the Recorder, Lake County, Indiana; thence North 00°19'23" East along the east line of the Nipsco right-of-way a distance of 192.72 feet to the Point of Beginning;
thence North 90°00'00" West a distance of 80.65 feet;
thence North 00°00'00" West a distance of 43.00 feet;
thence North 63°41'33" West a distance of 77.19 feet to the west line of the Nipsco right-of-way;
thence North 00°20'36" East along said line a distance of 11.12 feet;
thence South 63°41'33" East a distance of 88.27 feet;
thence South 00°00'00" East a distance of 39.21 feet;
thence North 90°00'00" East a distance of 62.69 feet;
thence North 00°00'00" West a distance of 26.40 feet;
thence South 68°03'48" East a distance of 8.79 feet to the east line of the Nipsco right-of-way;
thence South 00°19'23" West along said line a distance of 33.12 feet to the Point of Beginning;
said parcel containing 0.050 acres, more or less.
COUNTY: LAKE
SECTION: 16
TOWNSHIP: 36 NORTH
RANGE: 9 WEST
TAX KEY: 37-0047-0002
27-0003-0003
DC1112 & 1113

OWNER: NIPSCO

TEMPORARY WORK AREA EASEMENTS

EAUSEMENT T-3:
A parcel of land in the East Half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principle Meridian, in the Town of Highland, Lake County, Indiana, said parcel being more particularly described as follows:
Commencing at the northwest corner of Lot 14 in Highland Gardens as recorded in Plat Book 32, Page 76 in the Office of the Recorder, Lake County, Indiana; thence North 00°19'23" East along the east line of the NipSCO right-of-way a distance of 100.00 feet to the Point of Beginning;
thence North 89°35'53" West a distance of 150.34 feet to the west line of the Nipscro right-of-way;
thence North 00°20'36" East along said line a distance of 10.00 feet;
thence South 89°35'53" East a distance of 150.33 feet to the east line of the Nipscro right-of-way;
thence South 00°19'23" West along said line a distance of 10.00 feet to the Point of Beginning, said parcel containing 0.035 acres, more or less.

EAUSEMENT T-4:
A parcel of land in the East Half of the Southwest Quarter of Section 16, Township 36 North, Range 9 West of the Second Principle Meridian, in the Town of Highland, Lake County, Indiana, said parcel being more particularly described as follows:
Commencing at the northwest corner of Lot 14 in Highland Gardens as recorded in Plat Book 32, Page 76 in the Office of the Recorder, Lake County, Indiana; thence South 00°22'00" West along the west line of said Lot 14 a distance of 93.07 feet to the Point of Beginning;
thence South 00°22'00" West along said line a distance of 36.63 feet;
thence South 50°00'00" West a distance of 19.29 feet;
thence South 00°11'50" West a distance of 765.98 feet;
thence South 34°29'09" East a distance of 29.00 feet to the east line of the Nipscro right-of-way;
thence South 00°22'00" West along said line a distance of 60.97 feet;
thence North 89°13'26" West a distance of 61.99 feet;
thence North 00°00'00" West a distance of 858.41 feet;
thence North 52°16'39" West a distance of 19.86 feet;
thence South 89°35'54" East a distance of 38.96 feet;
thence South 00°00'00" East a distance of 9.63 feet;
thence North 89°55'02" East a distance of 14.74 feet;
thence North 48°06'55" East a distance of 39.85 feet to the Point of Beginning, said parcel containing 0.97 acres, more or less.
(The Easement Drawing, Flood Protection Levee Easement and Temporary Work Area Easement shall be referred to in this Agreement as the “Easement Area”).

2. At all times during the lifetime of this agreement NIPSCO shall have the right to use the Easement Area for all public utility and corporate purposes and to enter upon the Easement Area at any time, and from time to time for the purposes of constructing and installing; maintaining and operating gas pipelines and electric lines and any and all equipment and facilities, provided reasonable prior notice is given to the Commission and further provided there is no modification or damage to the Certified Flood Control Levee or ancillary facilities; or the COMMISION'S ability to operate and maintain said Levee all without any liability to the COMMISSION or COMMISSION's property when located upon the Easement Area.

3. It is understood by the COMMISSION that at all times during the construction, maintenance, repair of and use of the Easements, there are electric lines of NIPSCO which are energized and thereby create an inherent danger to people in the vicinity of said electric lines should they come in contact with such electric lines. The COMMISSION specifically agrees to indemnify and save NIPSCO harmless from any claims arising from the COMMISSION, its employees, assigns, contractors, agents, servants, or business invitees, or to any other persons, corporations, or organizations resulting from or in any way connected with or in consequence of, the requested use or occupancy of the Easement Area by the COMMISSION (collectively referred to herein as the “COMMISSION”) coming in contact with the electric lines and/or gas pipelines of NIPSCO during the construction, operation, maintenance, or use of the Easements unless caused by the sole negligence or willful act of NIPSCO.
4. The COMMISSION hereby agrees to defend and indemnify and save NIPSCO harmless from any and all liability, claims and expenses including attorney's fees, that may arise or may be incurred for any injury, loss of life and loss or damage of any kind or nature whatsoever, including damage to property, either to NIPSCO or the COMMISSION resulting from or in any way connected with or in consequence of, the requested use or occupancy of the Easement Area by the COMMISSION, including, but not limited to, ingress to the Easement Area or egress from the Easement Area, and further, to reimburse, pay, and compensate NIPSCO for any such damage due to the use herein sought by the COMMISSION and to defend any lawsuits against NIPSCO seeking such damages unless caused by the sole negligence or willful act of NIPSCO.

5. The COMMISSION or its contractors or assigns, at its or the contractors or assigns own cost and expense shall procure and keep in full force and effect insurance in the form of a policy or a group of policies reasonably acceptable to NIPSCO during construction, maintenance, repair of, and use of the Easements by the COMMISSION upon the Easements for the protection and benefit of the COMMISSION and NIPSCO, both individually and jointly, naming Northern Indiana Public Service Company as an additional insured. The COMMISSION shall deliver to NIPSCO copies of said policies or properly executed Certificates of Insurance, including the required amendatory riders and endorsements, may be substituted for copies of insurance policies provided that such certificates contain a positive statement of compliance with the terms of this Agreement. An authorized representative of the insurance company shall execute the foregoing. Certificates shall be provided prior to any use of the Easement Area, including any construction commenced by COMMISSION. Should it become necessary, NIPSCO
reserves the right to require COMMISSION to provide and maintain additional coverages in
the event that the particular work involves unusual risks. Insurance Required is as follows:

a) Worker's Compensation: statutory benefits and limits. Insurance shall
contain benefits and limits in full compliance with all state and federal
requirements. It shall also include Broad Form All States and Voluntary
Compensation Endorsements and Employer's Liability Insurance with
limits of not less than $1,000,000 per accident, $1,000,000 per disease
and a $1,000,000 policy limit on disease with a waiver of subrogation
in favor of NIPSCO.

b) Comprehensive Automobile Liability Insurance: $1,000,000 combined
single limit per occurrence for bodily injury and property damage shall be in
COMMISSION's name and shall include owned, non-owned, leased and
hired vehicle coverage.

c) Commercial General Liability (CGL): $1,000,000 bodily injury and property
damage combined single limit per occurrence; $1,000,000 personal
injury/advertising injury; $2,000,000 products/completed operations
aggregate; and $2,000,000 general aggregate per project. Insurance shall
be on an occurrence basis, in COMMISSION's name, and shall include:
Bodily Injury, Personal Injury with employment exclusion deleted, blanket
contractual coverage including COMMISSION's indemnity obligations and
Broad Form Property Damage coverage with bodily injury and property
damage of combined single limits of not less than those stated above per
occurrence.

d) Excess or Umbrella Liability Insurance: COMMISSION shall provide excess
or umbrella liability insurance with a combined single limit of not less than
$4,000,000 per occurrence and aggregate.

e) Additional Insureds. Except for Worker's Compensation and Employer's
Liability Insurance, COMMISSION agrees, with respect to all insurance
provided or required in connection with this Agreement as specified below, to
endorse or require each policy to: (i) stipulate that such insurance is primary
and is not additional to, or contributing with, any other insurance carried by,
or for the benefit of NIPSCO (also referred to in this Agreement as
"Additional Insured"); (ii) waive any and all rights of subrogation against
Additional Insured; (iii) for the insurance described in Section 14 (b), (c), (d),
name Additional Insured as an additional insured using the following wording
on the policy and any Certificate of Insurance: "It is agreed that the 'Persons
Insured' provision of this policy is amended to include NIPSCO as additional
insured, jointly and severally (collectively, "Additional Insured"), with respect
to any coverage such as is afforded by this policy, but only with respect to
operations by, or on behalf of, or to facilities of, used by, or for, the Named
Insured. It is further agreed that this insurance shall not be prejudiced as to
the Additional Insured by any act or negligence, error, or omission of the
Named Insured as respects payment of premium, reporting of claims, or any
other duties required of the Named Insured by the policy;" and, (iv) for the
insurance described in Sections 14 (b), (c), (d), contain a cross
liability/severability of interest endorsement.
f) Waiver of Rights. COMMISSION waives all rights against NIPSCO and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by the automobile liability, commercial general liability, or umbrella liability insurance obtained by COMMISSION.

If COMMISSION'S, or its contractors or assigns, insurance is canceled because of a failure to pay premiums or any part thereof, or if COMMISSION, its contractors or assigns, fail to provide and maintain certificates as set forth herein, NIPSCO shall have the right, but shall not be obligated, to pay such premium to the insurance company or to obtain such coverage from other companies and to seek reimbursement for said payments from COMMISSION, which sum shall be due and payable immediately upon receipt by COMMISSION of an invoice from NIPSCO.

6. The COMMISSION shall not construct or maintain the Easements or any flood protection levee above the maximum height of fifteen (15) feet above existing ground elevation existing at the time of this Agreement. Notwithstanding the previous sentence, the COMMISSION shall at all times maintain a minimum clearance of at least twenty-one (21) feet between all points on the Easement or any flood protection levee to be constructed hereunder and the lowest electric power line of NIPSCO.

7. The COMMISSION shall use the Easement Area for its own use in constructing and maintaining a flood protection levee. The COMMISSION during the period of construction, agree to take whatever precautions are necessary to prevent public access to the Easement Area so as to separate the public from the area of NIPSCO's electric power lines and gas pipelines.

8. The COMMISSION shall use and maintain the Easement Area in a manner
not to injure, damage, or interfere with the existing poles, towers, foundations, wires, cables, anchors, pipes, mains, valves, equipment, and facilities of NIPSCO, its assignees, grantees and licensees.

9. The COMMISSION further agrees no mechanic's lien shall be permitted to accrue or be filed against any portion of NIPSCO's premises for or on account of any action, matter, or thing required or permitted to be done by the COMMISSION under this agreement and in the event that any such mechanic's lien does accrue or is filed against said premises, NIPSCO, after written notice to COMMISSION, may take such steps and make such reasonable payments as are necessary to extinguish said mechanic's lien and the COMMISSION shall pay NIPSCO, upon being billed therefore, the amount that NIPSCO was required to pay and expend in order to extinguish said lien, including, but not limited to, attorney's fees and expenses.

10. The COMMISSION shall provide and maintain to the specifications of NIPSCO adequate barriers and safeguards for and in respect to all poles, towers, gas mains and any other structures, if any, of NIPSCO or any other persons or corporations which may from time to time be located on or near enough to the Easement Area to be endangered by traffic using the Easement Area during construction, operation, and maintenance.

11. Subject only to any coordination with and approval of the U.S. Army Corps of Engineers and reasonable notice to COMMISSION and the U.S. Army Corps of Engineers NIPSCO may enter upon the Easement Area for the purpose of new construction, for constructing, installing, maintaining and operating pipelines, and electric lines in, on, over, or under the Easement Area. In the event NIPSCO determines an emergency exists,
NIPSCO may enter the Easement Area for the purpose of repairs to preserve the public health and safety, without giving prior notice to the COMMISSION, so long as it maintains the integrity of the flood control levee and ancillary facilities.

12. The COMMISSION agrees that no contaminated or hazardous materials, as defined under CERCLA, RECLEA, or any other Federal, State, or Local statute or ordinance, shall be used in the construction of the flood protection levee or in the Easement Area. In the event of breach of this provision by the COMMISSION, the COMMISSION shall indemnify and protect NIPSCO against any liability arising from such breach, including but not limited to, reimbursement of the cost of remediation, defending claims, removal costs and any fines or costs associated therewith.

13. No structures, except as approved by NIPSCO, shall be constructed on the Easement Area. All plans for construction in the Easement Area shall be submitted to and approved by NIPSCO prior to the commencement of construction. The COMMISSION shall permit no holes or obstructions on the Easement Areas which could create a hazard of any kind. The COMMISSION shall keep and maintain the Easement Area in a clean and orderly condition at all times. During construction, the COMMISSION shall maintain a minimum of four (4) feet of cover over NIPSCO’s gas mains or be in compliance with NIPSCO engineering standards to provide protection for pipelines, located within the Easement Area.

14. Notwithstanding anything contained herein to the contrary, the COMMISSION shall be responsible for reimbursing NIPSCO (within ninety (90) days of NIPSCO’s demand) any and all additional costs and expenses incurred by NIPSCO, directly or indirectly, as a result of any improvements permitted under or restrictions provided for in
this Agreement, in connection with (i) the installation, construction, maintenance, operation, repair, alteration, replacement, renewal and removal of any future utility infrastructure including, without limitation, gas lines and electric lines, and (ii) the maintenance, operation, repair, alteration, replacement, renewal and removal of existing utility infrastructure including, without limitation, gas and electric lines, which costs shall be subject to review and approval by the Commission as fair and reasonable, which approval shall not be unreasonably delayed or denied. In the event approval is not received by NIPSCO from the Commission within thirty (30) days of NIPSCO’s demand, such failure to respond to the demand shall constitute approval of the costs.

15. NIPSCO may have an inspector present at all times during construction, installation, maintenance, or repair of any flood protection or during any other work on the Easement Area for the purpose of assuring that said work will not interfere with NIPSCO’s operation of its utility facilities and will be notified in writing by COMMISSION prior to any excavation or impacts in the Easement Area. The COMMISSION, shall reimburse NIPSCO for the expense of such inspector within ninety (90) days of billing from NIPSCO. It is mutually agreed that the presence of an inspector shall not relieve the COMMISSION from any liability, claim, or obligation hereunder, nor does it imply NIPSCO is assuming any liability to COMMISSION or any other third party by having an inspector present or making suggestions to COMMISSION related to its work in the Easement Area. COMMISSION shall follow any direction of NIPSCO in such construction, installation, maintenance, or repair of the Easement Area.

16. The COMMISSION shall, at its own expense, secure any permits or other consents required by law or ordinance of any Federal, State, municipality or other public
body having jurisdiction over the use and construction herein contemplated and shall at all times comply with all laws and regulations, both local and general, which affect the installation, construction, maintenance, operation, and use of said Easement Area.

17. Failure by either party to comply with any of the terms and conditions herein contained shall constitute a default, and if such default shall continue more than fifteen (15) days from the date notice of such default is mailed to the defaulting party, as provided below, then the non-defaulting party shall have the right, without further notice to prosecute legal action for injunction, mandate, specific performance and/or damages in a court of competent jurisdiction, and to recover its costs, interest and attorney’s fees and expenses. Subject to the provisions of paragraph 2, no legal action shall be taken by either party to impair the intended use of the Easement granted or the right of NIPSCO to use the Easement Area for all intended public utility and corporate purposes.

18. All notices or demands hereunder may be served on NIPSCO by certified mail addressed to:

Northern Indiana Public Service Company
801 East 86th Avenue
Merrillville, Indiana 46410

or upon the COMMISSION addressed to:

Little Calumet River Basin Development Commission
6100 Southport Road
Portage, Indiana 46368

19. This Agreement constitutes the entire Agreement between the parties and supersedes all prior written or oral Agreements with respect to the Easements. Any modification or amendment of this Agreement shall only be enforceable if in writing and
signed by the party against whom it is sought to be enforced.

20. The COMMISSION and NIPSCO represent and warrant they have been afforded the opportunity to consult with counsel in the negotiation of this Agreement, they have read or otherwise learned and understood the contents thereof and they have executed this Agreement knowingly, voluntarily and willingly. All persons executing this Agreement in a representative capacity warrant and represent they have the authority to execute this Agreement and bind the entity they represent.

21. The COMMISSION and NIPSCO, and their counsel, have reviewed and had the opportunity to contribute to the drafting of this Agreement, and the rule of construction providing that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

22. This Agreement shall be governed by and construed pursuant to the laws of the State of Indiana.

23. This Agreement may be executed in one (1) or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one (1) and the same Agreement. Counterparts delivered by facsimile transmission shall be deemed originals.

24. This agreement and its privileges shall be binding upon and inure to the benefit of the parties hereto and their respective successors.
IN WITNESS WHEREOF, the parties hereto have caused this agreement this
____ day of __________, 2008.

NORTHERN INDIANA
PUBLIC SERVICE COMPANY

STATE OF INDIANA,
LITTLE CALUMET RIVER BASIN
DEVELOPMENT COMMISSION

By:__________________________________________
Title:

Attest:______________________________________

By:__________________________________________
Title:

Attest:______________________________________

NipscoCalumeLittleCalCommEasement1.doc
6/2008
FINANCE COMMITTEE MEETING
JULY 16, 2008

AGENDA

2008 Operating Budget - 1
Financial Statement – end of June - 2
Budget Transfer approved on 1/2/08 - 3
Current Lease Situation - 4
LEL proposal/status - 5
Wetland Reserve program - 6-9
Submittal of NIRPC May invoice to State Budget Agency - 10-12

RDA Submittal Drawdown #2 - $1.8 million - 13-14
RDA estimated drawdown schedule - 15
IEDC commitment letter - 16
Estimated cost to finish Stage V-2 - 17
Projected use of $8 million budget request - 18

Need to schedule O&M Funding Committee meeting
2008 OPERATING BUDGET

ADMINISTRATIVE BUDGET

- Per Diem expenses $7,000
- Legal Services $3,500
- NIRPC Services $149,000
- Travel and Mileage $2,000
- Printing and Advertising $1,000
- Bonds and Insurance $8,000
- Telephone Costs $6,500
- Meeting Expenses $3,000

Sub-Total $180,000

O&M BUDGET $46,507

LAND ACQUISITION/PROJECT DEVELOPMENT BUDGET

- Professional/Consultant Services & Land Acquisition/Easement Costs $1,685,078
- Utility Relocation/Railroad Crossings Costs (remaining IEDC monies appropriated) $1,250,000
- Project Cost Share Payments/Escrow Account to be paid to the Corps in 2008 $1,226,025
### Cash Position - January 1, 2008

**Checking Account**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>192,304.22</td>
</tr>
<tr>
<td>General Fund</td>
<td>81,335.09</td>
</tr>
<tr>
<td>Tax Fund</td>
<td>0.00</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td>89,504.55</td>
</tr>
<tr>
<td>Escrow Account Interest</td>
<td>13,568.68</td>
</tr>
</tbody>
</table>

**Receipts - January 1, 2008 - June 30, 2008**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease Rents</td>
<td>17,826.24</td>
</tr>
<tr>
<td>Interest Income (from Checking)</td>
<td>781.54</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>889,941.64</td>
</tr>
<tr>
<td>Escrow Account Interest</td>
<td>8,876.81</td>
</tr>
<tr>
<td>Misc Receipts</td>
<td>49,828.83</td>
</tr>
<tr>
<td>KRPC Reimbursement Re: Telephone Charge</td>
<td>692.36</td>
</tr>
<tr>
<td>Transferred from Savings</td>
<td>12,089.76</td>
</tr>
<tr>
<td>City of Munster for Properties</td>
<td>18,917.00</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>376,712.54</td>
</tr>
</tbody>
</table>

**Disbursements - January 1, 2008 - June 30, 2008**

**Administrative**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 Expenses Paid in 2008</td>
<td>68,261.17</td>
</tr>
<tr>
<td>PER DIEM</td>
<td>3,400.00</td>
</tr>
<tr>
<td>Legal Services</td>
<td>1,699.98</td>
</tr>
<tr>
<td>NBPC</td>
<td>54,690.14</td>
</tr>
<tr>
<td>Travel &amp; Mileage</td>
<td>872.00</td>
</tr>
<tr>
<td>Printing &amp; Advertising</td>
<td>1,169.91</td>
</tr>
<tr>
<td>Bonds &amp; Insurance</td>
<td>6,738.25</td>
</tr>
<tr>
<td>Telephone Expense</td>
<td>4,420.94</td>
</tr>
<tr>
<td>Meeting Expense</td>
<td>113.30</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>55,764.19</td>
</tr>
<tr>
<td>Appraisal Services</td>
<td>104,100.00</td>
</tr>
<tr>
<td>Engineering Services</td>
<td>16,454.02</td>
</tr>
<tr>
<td>Land Purchase Contractual</td>
<td>24,859.00</td>
</tr>
<tr>
<td>Facilities/Project Maintenance Services</td>
<td>0.00</td>
</tr>
<tr>
<td>Operations Services</td>
<td>52,660.00</td>
</tr>
<tr>
<td>Land Management Services</td>
<td>119,645.39</td>
</tr>
<tr>
<td>Surveying Services</td>
<td>102,123.22</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>0.00</td>
</tr>
<tr>
<td>Economic/Marketing Sources</td>
<td>0.00</td>
</tr>
<tr>
<td>Property &amp; Structure Costs</td>
<td>205,948.76</td>
</tr>
<tr>
<td>Moving Allocation</td>
<td>0.00</td>
</tr>
<tr>
<td>Taxes</td>
<td>0.00</td>
</tr>
<tr>
<td>Property &amp; Structures Insurance</td>
<td>0.00</td>
</tr>
<tr>
<td>Utility Relocation Services</td>
<td>61,626.21</td>
</tr>
<tr>
<td>Land capital Improvement</td>
<td>0.00</td>
</tr>
<tr>
<td>Structural Improvements</td>
<td>0.00</td>
</tr>
<tr>
<td>Bank Charges Harris Bank</td>
<td>22.60</td>
</tr>
<tr>
<td>Pass Through for Savings</td>
<td>57,771.81</td>
</tr>
<tr>
<td>Payback to Savings</td>
<td></td>
</tr>
<tr>
<td>Total Disbursements</td>
<td>873,461.52</td>
</tr>
</tbody>
</table>

### Cash Position - June 30, 2008

**Checking Account**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>378,888.87</td>
</tr>
<tr>
<td>General Fund</td>
<td>11,446.56</td>
</tr>
<tr>
<td>Tax Fund</td>
<td></td>
</tr>
<tr>
<td><strong>Total Funds in Checking Account</strong></td>
<td>390,255.13</td>
</tr>
</tbody>
</table>

**Chase Savings Account Balance**

- **Land Acq in House (Project Funds)**: $38,054.35
- **O & M (Monies)**: $34,417.78

*Note: Original $700,000 note

**Note: O & M Fund comprised of remaining LEL Money, $185,000 Interest Money, and $13,721.49 Marina Sun Money

**Savings Interest**: $5,902.78

***Note: Interest deposited from Savings 25,200; Escrow Interest 4,411; Burr St Interest 5,220

**Total Savings**: $78,374.91

**Escrow Account Interest Available**: $22,445.49

**Total of All Accounts**: $491,076.53
RECOMMENDATION FOR FUND TRANSFER INTO ADMINISTRATIVE ACCOUNT

$ 5,789.72 From High Balance Savings Account interest
$ 20,720.62 From Escrow Account interest
$ 38,054.35 From In-House project funding
$ 64,564.69 Total transfer

- Recommendation for Action – To transfer a total of $64,564.69 (interest monies + remaining $700,000 note) from the three accounts into the Administrative Account in order to cover current pending invoices
## CURRENT LEASES – 2008

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Lease Agreement</th>
<th>Yearly Income</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago Towers</td>
<td>$1,568 per month</td>
<td>$18,816</td>
<td>• Current lease since July 5, 2005 – July 5, 2010</td>
</tr>
<tr>
<td>(Includes Ameritech)</td>
<td></td>
<td></td>
<td>(Increase every 5 years based on Metro Chicago Consumer Price Index)</td>
</tr>
<tr>
<td>Mike Mitsch</td>
<td>$140/acre = $19,600</td>
<td>$19,600</td>
<td>• Chase to Grant (North of 35th) Approx. 95 acres</td>
</tr>
<tr>
<td>Plum Grove Farm</td>
<td></td>
<td></td>
<td>• Chase to Grant (South of 35th) Approx. 45 acres</td>
</tr>
<tr>
<td>Gary Dunlap</td>
<td>$71.50/acre = $8,008</td>
<td>$8,008</td>
<td>• Approx. 85 acres West of Clay Street</td>
</tr>
<tr>
<td>Jerry Ewen</td>
<td>$75/acre = $3,900</td>
<td></td>
<td>• Approx. 27 acres East of Clay Street</td>
</tr>
<tr>
<td>3 LAMAR signs</td>
<td>$818 per year</td>
<td>$818</td>
<td>• Approx. 52 acres</td>
</tr>
<tr>
<td>Sign #1050</td>
<td>$4,986.24 per year</td>
<td>$4,986.24</td>
<td>• North of I-80/94, West of I-65</td>
</tr>
<tr>
<td>Sign #3475</td>
<td>$4,986.24 per year</td>
<td>$4,986.24</td>
<td>West side of Grant – ½ mile south of I-80/94</td>
</tr>
<tr>
<td>Sign #3480</td>
<td>$10,790.48</td>
<td></td>
<td>West of Grant – South of I-80/94</td>
</tr>
<tr>
<td>View Outdoor Advertising</td>
<td>$27,000 per year (approx)</td>
<td>$27,000 (approx)</td>
<td>West of Grant – South of I-80/94</td>
</tr>
<tr>
<td></td>
<td>$81,000 per year (approx)</td>
<td>$81,000 (approx)</td>
<td>• 3 billboards in the area of I-80/94 &amp; west of I-65 (IN115, 116, 120)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 9 additional billboards along I-80/94 corridor (IN160, 161, 162, 163, 164, 165, 166, 167, 168)</td>
</tr>
</tbody>
</table>

**TOTAL INCOME** $169,696.48 (approx)
MEMORANDUM

TO: LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
FROM: LOUIS M. CASALE
SUBJECT: OUTLINE OF TERMS AND CONDITIONS FOR CONTRACT WITH LAKE ERIE LAND PUMP FOR WETLAND BANKING.
DATE: APRIL 2, 2008

A meeting was held between a Committee of the Little Calumet River Basin Development Commission and Officers of the Lake Erie Land Company pertaining to the proposal made by Lake Erie Land Company to the Commission for developing a Wetland Bank on 32 + or - acres in Lake County Indiana owned by the Little Calumet River Basin Development Commission. The proposal is summarized as follows:

1. Lake Erie Land Company is willing to enter into a Contract to develop, operate and market a mitigation Wetland bank within the 27 to 32 acre parcel owned by the Little Calumet River Basin Development Commission in Lake County Indiana adjacent to the existing Lake Erie Wetland mitigation bank.

2. The Option fee will be $10,000.00 paid full upon execution of the Option Agreement.

3. The Option would run to January 1, 2009 and would allow Lake Erie Land sufficient time to apply for, and hopefully obtain, necessary permits to develop the Wetland Bank on behalf of the Commission.

4. Upon execution of the Option by Lake Erie Land an additional payment of $95,000.00 will be made to the Commission.

5. Upon sale of Wetland mitigation credits Lake Erie Land Company will pay the Commission 10% of the proceeds in sales plus place $750.00 per acre to be held in an escrow account for maintenance of their project.

Louis M. Casale
Attorney Little Calumet River
Basin Development Commission
April 1, 2008

Dan Gardner
Executive Director
Little Calumet River Basin Development Commission (LCRBDC)
6100 Southport Road
Portage, Indiana 46368

RE: Wetlands Reserve Program (WRP) application-200 acres in Lake County, Indiana

Dear Mr. Gardner:

On March 17, 2008, I participated in a meeting with you and various staff. The purpose of the visit was to evaluate a 200 acre site for potential participation in the WRP program. As a part of the review, Ms. Vamos provided me with title information on the property. In addition, we discussed the on-going U.S. Army Corps of Engineers (USCOE) flood control project that is occurring along the Little Calumet River in the northwestern Indiana.

The intent of the WRP program is to purchase conservation easements from landowners and to restore these easements to wetland habitat. There are certain eligibility requirements that have to be met in order for land to be enrolled into the program. That is, the WRP program eligibility does not allow for the purchase of easement on properties that are or will be restored under another agency’s authority (such as mitigation). Lands going under a WRP easement have to have the full capability to be restored through the WRP program. It would appear that this particular parcel of land (200 acres between Grant and Chase Street) has mitigation obligations that have to be met as a requirement of the interagency agreement between LCRBDC, USCOE and the Indiana Department of Environmental Management (IDEM). The mitigation obligation question clouds the issue as to whether the site is eligible for WRP or not.

Our agency has to have this matter clarified before we can do any more with your application. It is your responsibility as landowner to provide justification to address this issue. In order to move forward with your application, you will need to provide to me written documentation from the USCOE and IDEM indicating that the proposed land is not being used for mitigation and that it will not be used to satisfy future migration obligations as required by the interagency agreement.

Helping People Help the Land
An Equal Opportunity Provider and Employer
I do appreciate your interest in the WRP program, but this matter has to be resolved before we can continue forward with your application. If you have questions concerning this matter, please contact me at (812) 752-2269 Ext. 113.

Sincerely,

[Signature]
Gerald L. Roach
Wetlands Reserve Program Coordinator

Cc: Bill Moran, District Conservationist, NRCS, Crown Point, IN
    Brianne Lowe, Soil Conservationist, NRCS, Rensselaer, IN
    Rick Ward, Biologist, USFWS, North Judson, IN
    Alyson Keaton, Engineer, NRCS, Rensselaer, IN
    Becky Ross, Area Conservationist, NRCS, Lafayette, IN
Dan Gardner

From: "Moran, Bill - Crown Point, IN" <bill.moran@in.usda.gov>
To: <dgardner@nirpc.org>
Cc: "Lowe, Brianne - Rensselaer, IN" <Briannelowe@in.usda.gov>; "Deckard, Neil - Rensselaer, IN" <neil.deckard@in.usda.gov>; "Sprecher, Steven - Lafayette, IN" <Steven.Sprecher@in.usda.gov>
Sent: Monday, September 24, 2007 3:05 PM
Subject: FW: Wetland Reserve Program

Dan,

Here is that earlier email. With the copy of this email going to Brianne Lowe, our Wetland Team Leader, I am asking that we pursue the ranking process for the Wetland Reserve Program.

On another note: The soil rental rate for your soil type for the Conservation Reserve Program on this land is not published. To get that, our soil scientist will have to do a field visit. We may be able get that done at the same time the soil scientist checks for the hydric soil conditions under the Wetland Reserve Program Application. Similar soils in the area have a rental rate of $150 per acres per year for each of the 190 7/8 Acres of cropland.

This email will suffice for the information that I was going to gather for you on Wednesday. I can not go any further on discussing the details of the annual rental program since I ran into the soil rental rate issue that needs to be resolved. The soil type in question is Mb, Marl Beds.

I will be needing to get an application signed for the Wetland Reserve Program. If you can get your commission to approve at their meeting to go into the process (which obligates you to nothing at this time), then we can have your authorized member sign the application once we get the proper information on the document.

Thanks.

Bill Moran

-----Original Message-----
From: Moran, Bill - Crown Point, IN
Sent: Monday, May 21, 2007 12:16 PM
To: 'dgardner@nirpc.org'
Subject: Wetland Reserve Program

Dan,

As you work with your Commission; if they decide that a permanent easement is too long, there is a 30-year easement at a 75% payment for the easement and for any restoration cost. Also the Farm Service Agency has the flood plain wetland restoration practice under the Conservation
Reserve Program which runs in 10 to 15 year increments and pays an annual comparable land rental to what a farmer would pay. These options are presented to give you some flexibility in your decision making.

Also, we took Jim's offer and drove some of the levies. The area between 80/94 and the Little Cal. is continuous to the cropland that you might be offering and if that area is under your control, it too could be offered for WRP except for the river and channel sides.

Oh yes. The cap for WRP is $3,392.00 for Lake County pending appraisal results.

I trust this info. helps.

Bill Moran
USDA-NRCS
District Conservationist
928 South Court Street
Crown Point, IN 46307
Ph. 219-663-0588 x3
From: "Sandy Mordus" <smordus@nirpc.org>
To: "Rice, Joe" <jrice@sba.IN.gov>
Sent: Tuesday, July 15, 2008 8:54 AM
Subject: Re: Claim-Voucher

Joe:

In today's mail, I have mailed you a copy of the 2008 agreement between the Development Commission and the Northwestern Indiana Regional Planning Commission. The agreement does provide for administrative and financial services in support of the Development Commission toward implementing the required non-federal commitments for the Little Calumet River Flood Protection/Recreation Project. Of the services listed, 75% of the direct salary charges of Dan Gardner and Sandy Mordus are related to Federally-creditable project related activities. 75% of the occupancy fees and related administrative costs are related to project related activities as well as the $800 listed as project related accounting. These costs go toward the 25% non-federal legal obligation that the State of Indiana, Little Calumet River Basin Development Commission, has made with the U. S. Army Corps of Engineers.

We request payment as the Development Commission has been directed by Federal/State officials to first utilize all local accounts available to the Development Commission to cover our basic Commission expenses contained on this invoice. Over the past two years, we have done that; and we are now at a point where, to meet our Federal obligations, we have depleted these resources and have no other source of income to keep project activities ongoing. We are working toward a 2-year completion of the overall $175,000 Federal commitment and investment in the project; and, as stated, these non-federal funds are required in that pursuit.

This is an extremely complex project dictated by Federal rules and regulations. We have a Federal/State Local Cooperation Agreement with the Federal government, the U. S. Army Corps of Engineers, which we can share with you if it would be helpful in understanding the project.

If you need any other information, I would be happy to talk to you at any time. My number is 219-763-0696 or dgardner@nirpc.org.

Dan Gardner          Sandy Mordus
Executive Director  Business Coordinator
LCRBDC               LCRBDC

----- Original Message ----- 
From: Rice, Joe
To: smordus@nirpc.org
Sent: Monday, July 14, 2008 11:24 AM
Subject: FW: Claim-Voucher

I can't type. Ms. Mordus. Excuse me.

From: Rice, Joe
Sent: Monday, July 14, 2008 8:45 AM
To: smordus@nirpc.org
Subject: Claim-Voucher

Mr. Mordus, can you give me some background on the $14,052.25 billing from the Northwestern Indiana Regional Planning Commission. It appears the Planning Commission is supplying support services to the Development Commission. Is there some type of agreement or MOU which details this relationship as to frequency of billings, what is billable, etc. Please note that I am not challenging this billing, just getting up to speed on the business practices of the various “Basins” I have taken over
from Alice Kelsey. Thanks.
# NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION

6100 SOUTHPORT ROAD  
PORTAGE, INDIANA 46368  

**INVOICE**

<table>
<thead>
<tr>
<th>To:</th>
<th>Little Calumet River Basin Dev. Commission</th>
<th>Date:</th>
<th>3-Jun-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>For:</td>
<td>Services Performed: May 2008</td>
<td>Billing Code:</td>
<td>1201-1012-03-05</td>
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<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>Salaries &amp; Fringe: (Dan Gardner) &amp; (Sandy Mordus)</td>
<td>$ 9,050.00</td>
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<tr>
<td>Occupancy Fees:</td>
<td>2,385.00</td>
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<td>Accounting Services: Administrative</td>
<td>800.00</td>
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<td>Accounting Services: Project Relating Accounting</td>
<td>800.00</td>
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<td>Postage:</td>
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<td>Copier Charges @ $5.00/month plus $.06 per copy:</td>
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<tr>
<td>Color Prints made on Color Copier @ $0.20 per page</td>
<td># 804</td>
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<tr>
<td>Fax machine/long distance @ $5.00 plus current charges:</td>
<td></td>
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<tr>
<td>Graphics, printing &amp; clerical time @ $40 per hour:</td>
<td>#</td>
</tr>
<tr>
<td>Petty Cash Distributions:</td>
<td></td>
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</table>

**TOTAL DUE:** $ 14,025.25
July 9, 008

Ms. Sherri Shabaz
Executive Assistant
Regional Development Authority
9800 Connecticut
Crown Point, Indiana 46307

Dear Sherri:

Enclosed please find a copy each of the claim voucher and voucher abstract forms that we use for drawing monies from the State Budget Agency, altering them to fit our circumstance with the RDA. This document number will be RDA2008-2. (I have also enclosed a copy of the proposed RDA funding draw-down schedule.) The amount needed for Draw-down #2 is $1.8 million and is based upon the actual costs that have been submitted by the pipelines/utilities for the ongoing construction Stage V-2 (Kennedy to Northcote, including Hart Ditch). These costs have been found compensable by the U.S. Army Corps of Engineers and are approved for payment by the LCRBDC. As documentation, I am including the spread sheet of the utility relocations with dates of negotiations/agreements received and costs for the work to be performed. We are requesting the release for payment of $1.8 million as a number of the utilities need assurance of speedy turn-around as actual claims are received. Only invoices for actual work performed will be submitted to be paid, based upon documented work claims.

Please advise as to how to proceed to have the $1.8 million released for payment either to an escrow account or for payments of individually-submitted claims, as the agreements with the utilities require financial commitment to effect closure.
Stage V-2 construction is currently ongoing under contract with Dyer Construction and these utility agreements are needed as part of the recently-approved Norfolk Southern railway easement agreement and the NIPSCO utility easement agreement. With the legal issues now resolved on these easements, the utility commitments are now needed immediately to allow construction to complete on schedule. Stage V-2 is required to be completed to allow for the Cabela’s and Interstate Plaza development and the removal of approximately ½ of Hammond residents and all of Highland from the flood plain.

Draw-down #2 was originally submitted to include easement acquisition as well as approximately $1100 of utility relocations to be released approximately June 1. The actual amount is greater due to recent more accurate figures and to the fact that the IEDC, as we have stated in our portrayal to Mr. Sheldrake with the financial status, never was able to release the proposed $1,250,000 which was needed for utility modifications/relocations.

The total of the two releases bring the amount to $3,181,111, which is slightly higher than the previously-estimated $3 million shown in the original proposed draw-down schedule. I would be happy to answer any additional questions and we look forward to working with you for the release of the funds.

Sincerely,

Dan Gardner
Executive Director

/sjm
encl.
cc: William Sheldrake, Policy Analytics
    Tim Sanders, Ex. Dir., RDA
    Lou Casale, LCRBDC attorney
<table>
<thead>
<tr>
<th>DRAW</th>
<th>DATE</th>
<th>AMOUNT</th>
<th>USE/SUB-CATEGORIES</th>
</tr>
</thead>
</table>
| #1   | March 1, 2008  | $ 2,500,000 | • Public Easements Acquisition ($500,000)  
|      |                |         | • Utility Relocations ($600,000)                      
|      |                |         | • Federal Construction Cash Match ($1,400,000)        |
| #2   | June 1, 2008   | $ 500,000 | • Utility Relocations/Public Easements ($500,000)      |
| #3   | September 1, 2008 | $ 500,000 | • Griffith/Burr Street FEMA requirements               |
| #4   | January 1, 2009 | $ 2,500,000 | • Federal Construction Cash Match                      |
April 26, 2006

Mr. Kevin T. Rhodes
Cabela's Retail, Inc.
One Cabela Drive
Sidney, NE 69160

Project ID Number: 339687

Dear Kevin:

The Indiana Economic Development Corporation ("IEDC") is pleased to learn that Cabela's Retail, Inc. (the "Company") is considering Hammond as a site for its new 200,000 square foot store ("Project"). We have been advised that the Project involves a capital investment of approximately $78 million and the creation of approximately 170 new full-time positions and 285 part-time positions for Indiana resident employees, earning an average wage of $7.90 an hour by 2010.

The IEDC will assist the Company and the City of Hammond with off-site infrastructure improvements needed to serve the proposed project site. Specifically, the IEDC will commit up to $3,000,000 to road improvements required to grant adequate access to the Company's property. It is estimated that the road project can be completed by December 31, 2007.

In addition, the IEDC will work with the Indiana Department of Natural Resources and the Little Calumet river Basin Development Commission to make a good faith effort to complete the Little Calumet levy project to North 60th Avenue by December 31, 2008. In connection with that effort, the State of Indiana will accelerate funding of the project up to a maximum of $6,000,000, which has been identified as the amount necessary to meet the proposed infill. The Company confirms by acceptance of this letter that the Company will donate a portion of its property without compensation in connection with the levy project, as requested by the Army Corps of Engineers.

As part of our mission to increase jobs and wages for Indiana, the IEDC requires that a certain percentage of the Company's planned capital expenditures be spent with Indiana contractors and/or suppliers. The IEDC and the Company will jointly determine this percentage in addition to agreeing to terms relevant to monitoring and enforcement.

The proposal set forth in this letter shall remain available for acceptance by the Company until May 8, 2006. Failure to respond by this date will result in cancellation of this offer of assistance. All of the incentives described in this letter are subject to the Company's submission of an application, with wage, employment and investment information consistent with the representations set forth in this letter. All incentives are subject to the final review and approval of the IEDC. This letter supersedes all previous correspondence concerning this project.

Sincerely,

Michael S. Maupin,
Secretary of Commerce,

One North Capitol, Suite 700
Indianapolis, Indiana 46204
317.232.8800
www.iecd.in.gov
<table>
<thead>
<tr>
<th>Amount</th>
<th>Purpose</th>
<th>Status</th>
<th>$ Needed</th>
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<tbody>
<tr>
<td>$623,061</td>
<td>Burr Street/Gary Cash Participation (Required by IDNR Permit to allow</td>
<td>- Claim Draw for funds release sent to</td>
<td>4/06</td>
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<tr>
<td></td>
<td>Stage V-2 Construction Letting)</td>
<td>State Budget Agency on April 10, 2006</td>
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<tr>
<td>$300,000</td>
<td>Burr Street/Corps Cash Participation (Required by IDNR Permit to allow</td>
<td>- Corps of Engineers Letter of Request</td>
<td>5/06</td>
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<tr>
<td></td>
<td>Stage V-2 Construction Letting)</td>
<td>just transmitted (4/29/06 effective date)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Will necessitate allocation availability of remaining $1,000,000 for</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>use at earliest Budget Committee meeting.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- With IDNR concurrence, will prepare letter of request to appear on</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>next Budget Committee agenda</td>
<td></td>
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<tr>
<td>Maximum</td>
<td>$700,000</td>
<td>Real Estate Easements must be acquired before</td>
<td>4/06</td>
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<tr>
<td></td>
<td>Stage V-2 Real Estate/Easement Acquisition</td>
<td>Construction Contract for Stage V-2 can be</td>
<td>(ongoing</td>
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<tr>
<td></td>
<td>Total of 37 Easement Acquisitions</td>
<td>advertised.</td>
<td>S’s need</td>
</tr>
<tr>
<td></td>
<td>- 18 easements accepted/closed</td>
<td>- Schedule for Acquisition</td>
<td>to</td>
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<tr>
<td></td>
<td>- 18 easement acquisitions remain to be accepted/closed at an</td>
<td>- Schedule for Advertisement</td>
<td>continue</td>
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<tr>
<td></td>
<td>appraisal value &amp; professional services to close at $693,222 (est)</td>
<td>- Ongoing offers and closings will be</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>dependent upon early availability of remaining $1,000,000</td>
<td></td>
</tr>
<tr>
<td>$516,000</td>
<td>Stage VI Escrow Cash needed to continue</td>
<td>Will deplete all available remaining funding</td>
<td>6/06</td>
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<tr>
<td></td>
<td>Federal construction contracts</td>
<td>at Commission and in State Budget, with a gap of approximately $100,000</td>
<td>(--------</td>
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<tr>
<td></td>
<td>- Federal Construction - $16,275,609</td>
<td>Fund gap begins)</td>
<td></td>
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<tr>
<td>$600,000</td>
<td>Burr Street/Corps 2nd installment needed to complete East Reach Project</td>
<td>- Currently No Funds Available to meet</td>
<td>10/06</td>
</tr>
<tr>
<td>$1,250,000</td>
<td>Utilities Relocation/Construction</td>
<td>Schedule or allow Award of Contract</td>
<td>2/07</td>
</tr>
<tr>
<td></td>
<td>- Current Corps of Engineers estimate of $1,700,000 based on relocation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Detailed Engineering beginning 5/06 to seek revised “Bridging/Protecting” Design for Utilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Design/Utilities Concurrence scheduled by 8/06</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Very Preliminary Cost Estimate of Bridging</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-Federal Cost + $560,000</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Other small utilities in Stage V-2 - $300,000(est)</td>
<td></td>
<td></td>
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<tr>
<td>$1,315,009</td>
<td>Stage V-2 &amp; VI Escrow Cash payments to complete Construction Contracts</td>
<td>- Currently No Funds Available to meet</td>
<td>4/07</td>
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<tr>
<td></td>
<td>- Federal Construction V-2 - $13,699,700</td>
<td>Schedule or allow Award of Contract</td>
<td></td>
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</table>
## USE OF $8 MILLION BUDGET REQUEST

<table>
<thead>
<tr>
<th>Stage</th>
<th>Activity</th>
<th>Non-Federal Funding Needed</th>
<th>Federal Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stage V</strong></td>
<td>Complete Easement Acquisitions &amp; Utility Relocations</td>
<td>$960,000 total needed est.</td>
<td>$13,720,000 est.</td>
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<tr>
<td></td>
<td>7% Cash Match of Construction</td>
<td></td>
<td></td>
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<tr>
<td><strong>Stage VII</strong></td>
<td>52 Easement Acquisitions</td>
<td>$1,216,000 est.</td>
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<tr>
<td></td>
<td>Utility Relocations</td>
<td>$450,000 est.</td>
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<tr>
<td></td>
<td>7% Cash Match of Construction</td>
<td>$434,000 est.</td>
<td>$6,200,000 est.</td>
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<tr>
<td></td>
<td></td>
<td>$2,100,000 total needed est.</td>
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<tr>
<td><strong>Stage VIII</strong></td>
<td>100 Easement Acquisitions</td>
<td>$2,060,000 est.</td>
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<td></td>
<td>Utility Relocations</td>
<td>$910,000 est.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7% Cash Match of Construction</td>
<td>$630,000 est.</td>
<td>$9,000,000 est.</td>
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<tr>
<td></td>
<td></td>
<td>$3,600,000 total needed est.</td>
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<tr>
<td><strong>Pump Stations II Construction</strong></td>
<td>7% Cash Match of Construction</td>
<td>$610,000 total needed est.</td>
<td>$8,500,000 est.</td>
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<tr>
<td><strong>Burr Street Gary</strong></td>
<td>Contingency for Construction Completion</td>
<td>$200,000 est.</td>
<td>$2,301,518 (Ongoing)</td>
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<td><strong>Burr Street LCRBDC</strong></td>
<td>Project Cash Match</td>
<td>Accounted for in State Commitment to Cabela's ($1,443,000)</td>
<td>$3,400,000 Bid</td>
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<td><strong>Griffith Levee</strong></td>
<td>FEMA requiring East-West units tie-in Certification</td>
<td>$500,000 est.</td>
<td>Construction for 100 yr. flood needing tie-back certification</td>
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<tr>
<td><strong>East Reach</strong></td>
<td>Final Flowage Easements Acquisition</td>
<td>$50,000 est.</td>
<td>Construction Complete</td>
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$8,020,000
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<tr>
<th>Utility No.</th>
<th>Owner</th>
<th>Project Station</th>
<th>Type</th>
<th>Length in feet USACE (LOCAL)</th>
<th>Description</th>
<th>USACE Proposed Action</th>
<th>Locals Proposed Action</th>
</tr>
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<tbody>
<tr>
<td>200</td>
<td>NPSCD</td>
<td>SR 1</td>
<td>SS</td>
<td>2'</td>
<td>GAS LINE ON RIVER DRIVE EAST OF HOHMAN</td>
<td>VARIANCE</td>
<td></td>
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<tr>
<td>124</td>
<td>MUNSTER</td>
<td>SR 1</td>
<td>SS</td>
<td>36 120 (74)</td>
<td>DRAIN OUTLET S1-2, EXISTING RCP OUTFALLS CROSS THROUGH UNDER LEVEE, S OF RIVER, ABOUT 200 FT BACK TO CLOSEST MANHOLE</td>
<td>INSTALL FLAPGATE AND HEADWALL.</td>
<td>INSTALL FG AND GW OUTLET S1-2</td>
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<tr>
<td>33</td>
<td>MW</td>
<td>SR 1</td>
<td>W</td>
<td>110 (65)</td>
<td>EXISTING LINE CROSSES THROUGH UNDERSIDE, JUST N OF HOHMAN AVENUE BRIDGE, S OF RIVER, ABOUT 140 FT BACK TO CLOSEST MANHOLE</td>
<td>RELOCATE LINE</td>
<td>CONSIDER VARIANCE</td>
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<tr>
<td>07A</td>
<td>HSD</td>
<td>NR 1</td>
<td>CS</td>
<td>12 110 (45)</td>
<td>EXISTING LINE CROSSES THROUGH UNDERSIDE, US OF HOHMAN AVENUE BRIDGE, N OF RIVER, ABOUT 120 FT BACK TO CLOSEST MANHOLE</td>
<td>RELOCATE LINE</td>
<td>VARIANCE, INVERT ELEVATION AT 588.66</td>
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<tr>
<td>07B</td>
<td>HSD</td>
<td>SR 1</td>
<td>CS</td>
<td>12 60 (60)</td>
<td>EXISTING LINE CROSSES THROUGH LEVEE, S OF RIVER, N OR HOHMAN</td>
<td>RELOCATE LINE FROM PUMP STATION</td>
<td>VARIANCE, INVERT ELEVATION AT 578.83</td>
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<tr>
<td>112B</td>
<td>HSD</td>
<td>SR 1</td>
<td>SS</td>
<td>2 48 48 (56)</td>
<td>DRAIN OUTLET S1-1, EXISTING TWO PUMP STATION OUTFALLS CROSS UNDER LEVEE, S OF RIVER, N OF PUMP STATION, EAST OF HOHMAN</td>
<td>RELOCATE</td>
<td>NEW OUTLET S1-3</td>
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<tr>
<td>102</td>
<td>HSD</td>
<td>SR 1</td>
<td>CS</td>
<td>30</td>
<td>NEW 30' SEWER, S OF RIVER, E OF PUMP STATION</td>
<td>RELOCATE</td>
<td>VARIANCE, INVERT ELEVATION AT 584.40</td>
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<tr>
<td>127A</td>
<td>Private</td>
<td>NR 1</td>
<td>SS</td>
<td>4</td>
<td>EXISTING PVC FROM SOUTHMOOR HOME - CUT OFF EXISTING LINE AND DRAIN THEM INTO SIMILAR TO 125 &amp; 126</td>
<td>CONNECT TO NEW STORM DRAIN</td>
<td></td>
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<tr>
<td>127B</td>
<td>Private</td>
<td>NR 1</td>
<td>SS</td>
<td>4</td>
<td>EXISTING PVC FROM SOUTHMOOR HOME SIMILAR</td>
<td>CONNECT TO NEW STORM DRAIN</td>
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<td>128</td>
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<td>NR 1</td>
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<td>EXISTING PVC FROM SOUTHMOOR HOME SIMILAR TO 129</td>
<td>CONNECT TO NEW STORM DRAIN</td>
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<td>129</td>
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<td>NR 1</td>
<td>SS</td>
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<td>EXISTING PVC FROM SOUTHMOOR HOME SIMILAR TO 129</td>
<td>CONNECT TO NEW STORM DRAIN</td>
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<tr>
<td>98</td>
<td>NPSCD</td>
<td>NA</td>
<td>50 (76)</td>
<td></td>
<td>EXISTING OVERHEAD POLE IN FOOTPRINT OF LEVEE, EAST OF RIVER NORTH OF IOHMAN</td>
<td>RELOCATE ONE POLE</td>
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<td>208</td>
<td>HSD</td>
<td>NR 1</td>
<td>CS</td>
<td>45</td>
<td>EXISTING INVERTED SIPHON (NEW)</td>
<td>RELOCATE LINE</td>
<td>VARIANCE, INVERT ELEVATION 561.40</td>
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<td>Length to First USACE (Local)</td>
<td>Description</td>
<td>USACE Proposed Action</td>
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<td>-------------------------------</td>
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<td>----------------------</td>
</tr>
<tr>
<td>069A</td>
<td>HSD</td>
<td>NR 1</td>
<td>CS</td>
<td>18</td>
<td>-155</td>
<td>EXISTING 18' INTERCEPTOR SEWER THROUGH NORTH BANK OF LEVEE X 2</td>
<td>VARIANCE, INVERT ELEVATION 582.15</td>
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<td>069A</td>
<td>HSD</td>
<td>NR 1</td>
<td>CS</td>
<td>18</td>
<td>92 (156)</td>
<td>EXISTING LINE CROSSES UNDER LEVEE, E OF RIVER, JUST N OF HOMAN.</td>
<td>VARIANCE, S INVERT ELEVATION 591.35</td>
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<td>021A</td>
<td>NIPSCO</td>
<td>SR 2</td>
<td>E</td>
<td>NA</td>
<td>420 (736)</td>
<td>EXISTING OVERHEAD LINE POLE WILL BE IN LEVEE</td>
<td>RELOCATE LINE AND POLE</td>
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<tr>
<td>021B</td>
<td>NIPSCO</td>
<td>SR 2</td>
<td>E</td>
<td>NA</td>
<td>420 (736)</td>
<td>EXISTING OVERHEAD LINE POLE WILL BE IN LEVEE</td>
<td>RELOCATE LINE AND POLE</td>
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<tr>
<td>021C</td>
<td>NIPSCO</td>
<td>SR 2</td>
<td>E</td>
<td>NA</td>
<td>420 (736)</td>
<td>EXISTING OVERHEAD LINE POLE WILL BE IN LEVEE</td>
<td>RELOCATE LINE AND POLE</td>
</tr>
<tr>
<td>209</td>
<td>HSD</td>
<td>NR 2</td>
<td>SS</td>
<td>84</td>
<td></td>
<td>DRAIN OUTLET NO.2, EXISTING RCP FROM JACKSON AVE PUMP STATION CROSSES UNDER LEVEE</td>
<td>NEW OUTFALL NO.2</td>
</tr>
<tr>
<td>201</td>
<td>HSD</td>
<td>NR 2</td>
<td>CS</td>
<td>UNK</td>
<td></td>
<td>OUTFALL FROM OUTLOT A PUMP STATION</td>
<td>PROTECT, LEVEE TIES TO PUMP STATION WITHOUT CROSSING OUTFALL</td>
</tr>
<tr>
<td>130</td>
<td>MINSTER</td>
<td>SR 2</td>
<td>SS</td>
<td>24</td>
<td>180 (373)</td>
<td>DRAIN OUTLET S2-1, EXISTING RCP LINE, S OF RIVER, E &amp; S OF RR BRIDGE</td>
<td>NEW OUTLET S2-1</td>
</tr>
<tr>
<td>2</td>
<td>HWDO</td>
<td>NR 2</td>
<td>W</td>
<td>8</td>
<td></td>
<td>EXISTING LINE, N OF RIVER</td>
<td>NO CONFLICT</td>
</tr>
<tr>
<td>3</td>
<td>NIPSCO</td>
<td>NR 2</td>
<td>E</td>
<td>NA</td>
<td></td>
<td>EXISTING OVERHEAD LINE POLE</td>
<td>NO CONFLICT</td>
</tr>
<tr>
<td>4</td>
<td>NIPSCO</td>
<td>NR 2</td>
<td>G</td>
<td>6</td>
<td></td>
<td>EXISTING GAS LINE</td>
<td>NO CONFLICT</td>
</tr>
<tr>
<td>205</td>
<td>HSD</td>
<td>NR 2</td>
<td>CS</td>
<td>24</td>
<td></td>
<td>EXISTING SEWER</td>
<td>NO CONFLICT</td>
</tr>
<tr>
<td>135</td>
<td>HAMMOND</td>
<td>NR 2</td>
<td>SS</td>
<td>36</td>
<td>20 (36)</td>
<td>EXISTS, BUT ABANDONED, RCP OUTFALL, N OF RIVER</td>
<td>REMOVE ALL, PORTIONS OF LINE IN WORK LIMITS AND PLUG REMAINING END.</td>
</tr>
<tr>
<td>135A</td>
<td>HAMMOND</td>
<td>NR 2</td>
<td>SS</td>
<td>45</td>
<td></td>
<td>EXISTING, ABANDONED, RCP OUTFALL</td>
<td>REMOVE ALL, PORTIONS OF LINE IN WORK LIMITS AND PLUG REMAINING END.</td>
</tr>
<tr>
<td>136B</td>
<td>HAMMOND</td>
<td>NR 2</td>
<td>SS</td>
<td>UNK</td>
<td>25</td>
<td>EXISTING, ABANDONED, OUTFALL</td>
<td>REMOVE ALL, PORTIONS OF LINE IN WORK LIMITS AND PLUG REMAINING END.</td>
</tr>
<tr>
<td>#</td>
<td>Utility Type &amp; Size</td>
<td>Location Description</td>
<td>Located/ Surveyed</td>
<td>South Ground Elev.</td>
<td>South TIF ELEV.</td>
<td>North Ground Elev.</td>
<td>North TIF ELEV.</td>
</tr>
<tr>
<td>---</td>
<td>-------------------</td>
<td>----------------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>-----------------</td>
<td>-------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>1</td>
<td>Storm Sewer</td>
<td>South of River, Just east of Columbia avenue, STA 7S 1+50</td>
<td>No</td>
<td>598.24</td>
<td>590.48</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>Water Main</td>
<td>Runs under Columbia Avenue</td>
<td>Yes</td>
<td>601.6 Lev; 601.6 Lev; 586.7</td>
<td>599.7</td>
<td>601.5 Lev; 599.4</td>
<td>596.4</td>
</tr>
<tr>
<td>3</td>
<td>14&quot; PL/Oil Line (Amoco)</td>
<td>Near STA 7S 2+00 &amp; STA 7N 1+50</td>
<td>Yes</td>
<td>601.6 Lev; 601.6 Lev; 586.7</td>
<td>599.7</td>
<td>601.5 Lev; 599.4</td>
<td>596.4</td>
</tr>
<tr>
<td>4</td>
<td>18&quot; &amp; 12&quot; PL/Oil Lines (Amoco)</td>
<td>STA 7S 15+00, STA 7N 15+75</td>
<td>Yes</td>
<td>N/A</td>
<td>-</td>
<td>599.3</td>
<td>599.3</td>
</tr>
<tr>
<td>5</td>
<td>Combined Sewer Outfalls</td>
<td>Near STA 7N 25+25</td>
<td>Yes</td>
<td>699.58</td>
<td>585.33</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6</td>
<td>18&quot; RCP Combined Sewer</td>
<td>Located near ROW from STA 7S 37+00 to STA 7S 40+00</td>
<td>Yes - no elevations</td>
<td>699.58</td>
<td>585.33</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7</td>
<td>Combined Sewer</td>
<td>STA 7N 50+00, STA 7S 52+25</td>
<td>Yes</td>
<td>696.44</td>
<td>582.14 INV</td>
<td>581.74 INV</td>
<td>581.74 INV</td>
</tr>
<tr>
<td>8</td>
<td>AT&amp;T Duct Telephone</td>
<td>STA 7N 50+25, STA 7S 52+00</td>
<td>Yes</td>
<td>angelo Levai (AT&amp;T)</td>
<td>696-24064</td>
<td>219-853-6413</td>
<td>Corps needs elevations of the centerline of floodwalls, size of the duct, and x &amp; y coordinates along the duct to verify its location.</td>
</tr>
<tr>
<td>9</td>
<td>8&quot; &amp; 6&quot; Gas Lines</td>
<td>West of Northcotos Ave, East of STA 7N 51+93</td>
<td>No</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>EPL - NIPSCO</td>
<td>Near Northcotos Ave, East of STA 7S 52+48</td>
<td>Yes - no elevations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>Sewer Outfall</td>
<td>STA 7N 1+00</td>
<td>Yes</td>
<td>Unknown</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>Fire Hydrant</td>
<td>STA 7S 0+07</td>
<td>Yes</td>
<td>Unknown</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>Power Pole</td>
<td>STA 7S 1+00</td>
<td>No</td>
<td>Unknown</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>Walnut St. Pump Station</td>
<td>STA 7N 25+00</td>
<td>Yes</td>
<td>Unknown</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</table>

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**Flood plain stalls Cabela's site**

Developers hesitant to move forward due to Little Calumet River levee project delay

**By Emma M. Mueller**
Post-Tribune staff writer

HAMMOND — The Cabela's store was projected to create a chain reaction of business development when it opened late last year.

Months later, Mayor Thomas McDermott Jr. blames the federal government for holding up progress.

The 100-acre lot Cabela's site is under the Federal Emergency Management Agency's 100-year flood plain, due to its proximity to the flood-prone Little Calumet River. Developers are hesitant to move forward with building because of the potential flooding.

The U.S. Army Corps of Engineers must build a levee to protect the area.

"Cabela's has interest from over eight developers on that site," said Rick Calinski, executive director for the Hammond Planning and Development Department. "The problem is, nobody will purchase that site until the area will definitely come out of the flood plain."

The holding on the levee project is due to prolonged negotiations and debate with property owners located where the levee will be, said project manager for the Army Corps of Engineers Imaad Samara.

A sign in one of the parking lots of the CoachUSA Airport Express warns it is in a flood zone. The airport transportation company is just south of the Little Calumet River. Just north of the river is Cabela's, where new retail businesses are slow to pop up because of the flood zone.

**Update on Cabela's site development**

The 150,000-square-foot store was originally planned to open in 2007. However, it was delayed due to litigation over the town's plan to build a levee.

"The levee has taken a lot of time," said Ray McDermott, owner of the new store. "We've been waiting for a long time."

The store will now open in the fall of 2008.

**Army Corps of Engineers**

"It was a project that started in the 1980s and was supposed to be completed in the early '90s," McDermott said.

"And here we are in 2008 and we're still waiting around."

Samara said he expects the contract schedule to change.

"We are really working very hard to make sure that everything is being done that we can to get this thing done as fast as it can be," Samara said.

"Cabela's is in a phase of the project that started from Kennedy Avenue to Northgate Street, which Samara said may be completed as early as the end of the year.

"Since the 100-year flood plain implies there could be a flood every 100 years, McDermott said homeowners are getting hit hard by a federal "nut" - mandatory flood insurance for mortgage holders.

"There's probably 2,000 residents of the Hammond, Highland and Munster area paying flood insurance to the federal government for no reason," McDermott said.

"It's our job as politicians to get these people out of the flood plain, but we've got these bureaucrats fluffing around holding things up."

Despite all the barriers, Calinski said he expects 2009 to bring more development to Hammond, including a movie theater on the old K-Mart property, located across from Cabela's on Indianapolis Boulevard.

"Since Cabela's has purchased that property and built the store, there has been a developer who has purchased the former K-Mart property," Calinski said. "That's been vacated 6 years."