



HISTORIC
LANDMARKS
FOUNDATION OF
INDIANA

Northern Regional Office
402 W. Washington
South Bend, Indiana 46601
574-232-4534
574-232-5549 (fax)

June 30, 2009

Historic Sites Administration
Indiana State Museums and Historic Sites
650 W. Washington St.
Indianapolis, IN 46204.

Re: Long-term lease arrangement for Sower Farmhouse, Gene Stratton-Porter State Historic Site,
1205 Pleasant Point, Rome City

Dear Indiana Museums and Historic Sites,

We are writing today to submit our proposal to enter into a lease agreement with your agency for the above referenced property. Thank you for the opportunity to be considered for this project. Our proposal mirrors a similar arrangement we currently have with the National Park Service at the Indiana Dunes National Lakeshore. This successful arrangement has attracted private investment to nine historic sties in the park that include log structures, barns, simple farmhouses and progressive architect designed houses. The Sower house presents an opportunity to restore an interesting Italianate style house that represents an important component of the rural landscape and an integral part of the visitor experience when traveling to the Gene Stratton-Porter historic site.

Historic Landmarks Foundation of Indiana proposes to lease the Sower Farmhouse from the Indiana Museum and Historic Sites for a period of thirty five years. We have attached a copy of our Memorandum of Understanding with the National Park Service that might serve as a template in crafting an agreement between your agency and ours.

It is our plan, if selected and upon formal agreements being executed between the State of Indiana and Historic Landmarks, to market the property for a potential private residential sub-lessee for a period of thirty years. The specific sub-lease would be in a similar form as the "Master Lease Agreement Sower" document attached herein. Historic Landmarks Foundation of Indiana staff would be responsible for monitoring and enforcing the terms of the sub-lease. Historic Landmarks Foundation of Indiana proposes to be able to charge a n annual sub-lease fee of \$1,200 to the successful party to help cover our costs associated with implementing, marketing and staffing the program over its life. If a successful party is not attracted, Historic Landmarks would have the right undertake the rehabilitation of the structure and seek out a party to lease it from us in its finished condition (in order to repay our investment. If no successful party is attracted by the proposal deadline, Historic Landmarks Foundation of Indiana could alternatively choose to terminate the agreement with the State and would agree not to interfere with plans for demolition. Historic Landmarks would have sixty days to notify the State of our decision.

Interested parties would be invited to submit a proposal for the long term sub-lease of the property from Historic Landmarks Foundation of Indiana. We include herein a document titled "Sower Applicant Questions" that outlines what interested parties would be required to submit for consideration. A date

certain for proposal submission will be developed once a formal agreement is executed between the State and Historic Landmarks. We anticipate a six month marketing period.

A proposed timeline is as follows

Proposal submitted to the State of Indiana:	June 30, 2009
Acceptance of proposal by State:	August 1, 2009
Agreement executed:	August 31, 2009
Marketing begins	September 1, 2009
Public open houses:	October 1, 2009
	November 1, 2009
	December 1, 2009
Proposals due:	February 1, 2010
Successful proposal selected	March 1, 2010
Review/Approve final details of restoration plan, enter into sub-lease	April 1, 2010
Construction starts	April 1, 2010
Construction substantially complete	March 31, 2012

Potential applicants will be screened by staff of Historic Landmarks Foundation of Indiana. If competing proposals are received, a team will be assembled comprised of staff from Historic Landmarks and The Indiana Museums and Historic Sites. Applicants may be invited to make a presentation to the committee if that is deemed helpful.

Historic Landmarks' marketing of the house will include posting in various on-line sources such as www.historicproperties.com, our website www.historiclandmarks.org in the real estate section as well as a feature in our monthly e-newsletter and monthly regional web page. We will advertise the availability of the property in our magazine the Indiana Preservationist. Our staff will also be available to show the house and let interested parties in to bring contractors for estimates as well as to assist interested parties in the development of their restoration plan. We will not rely on State staff for such purposes so as not to interfere with their other duties and obligations.

The successful party will be required to achieve substantial completion in a twenty-four month as outlined in a formal rehabilitation plan. The rehabilitation plan will be reviewed and approved by Historic Landmarks staff for its conformance with the Secretary of the Interior Standards. If desired, staff of the Indiana Museum and Historic Sites may also be a part of this review process. Historic Landmarks staff will work with the successful applicant to develop and then execute the plan.

Once a year, in partnership with the Gene Stratton-Porter site, a public open house of the structure will be required of the sub-lessee. The date, time and structure of the annual open house would be worked out to best leverage other programming going on at the Gene Stratton-Porter site. Historic Landmarks will promote this open house (and any associated public event at the Gene Stratton-Porter site) in our various media including our web site, magazine and in press-releases. The open house will be free and open to the public.

Historic Landmarks Foundation of Indiana will cover the property as part of our umbrella policy for liability during the time we are seeking a sub-lessee. On-going insurance for the structure and liability will be required to be carried by the sub-lessee.

Rehabilitation

We expect that the rehabilitation of the property will include the following tasks. The successful party will not be required to hire the work done if they possess sufficient personal or professional rehabilitation experience that they can undertake the work themselves in a workmanlike manner. Licensed contractors

will be required to undertake electric, plumbing, HVAC and any structural work that may be required. Any contractor will be required to carry adequate insurance and sign a no lien contract.

Exterior

- Remove exterior aluminum siding
- Repair/restore damaged wood siding
- Rebuild/Restore two original porches
- Tuck-point chimney
- New roof (includes stripping existing shingles and new deck)
- Prime/Paint exterior in period appropriate color scheme (including trim and windows)
- New well – if required
- New septic – if required
- New exterior storm windows
- Construct detached garage (two and half stalls) (optional)

Interior

- Re-rope all windows
- Remove existing carpeting
- Repair cracked plaster
- Refinish floors
- Rehabilitate 1st floor bathroom
- Construct new bathroom on second floor (optional)
- Rehabilitate kitchen (cabinets, plumbing, flooring)

Thank you again for your consideration of this proposal. I am pleased to answer any questions or submit additional information that you might find necessary. I may be reached at 1-800-450-4534 or tzeiger@historiclandmarks.org

Sincerely,



Todd A. Zeiger
Director, Northern Region

Cc Marsh Davis, President, Historic Landmarks Foundation of Indiana

7/15/98

MEMORANDUM OF UNDERSTANDING

BETWEEN

Indiana Dunes National Lakeshore

AND

Historic Landmarks Foundation of Indiana

Article 1

Background and Objectives

The Agreement is entered into by and between **Historic Landmarks Foundation of Indiana, Inc.** (hereinafter **Foundation**) acting by and through its Northern Regional Director, and the **National Park Service** (hereinafter **Service**), a unit of the National Park System, United States Department of the Interior, acting by and through its Superintendent, and concerns property located within the **Indiana Dunes National Lakeshore** (hereinafter **Park**)

WHEREAS, the **Service** and **Foundation** (together referred to as **parties**) hereby enter into this Agreement to provide mutual aid and assistance for the preservation, rehabilitation and maintenance of the **World's Fair Houses** on or within the boundary of said **Park**; and

WHEREAS, the **parties** further agree that the best way to effect their purpose of licensing the **World's Fair Houses** to members of the public, is for the **Service** to enter into an agreement with the **Foundation** which allows the **Foundation** to seek out potential occupants and enter into a license agreement allowing them to occupy the houses: and

WHEREAS, the **parties** agree that the most effective way to preserve, rehabilitate and maintain the **World's Fair Houses** is to license them to members of the public under long-term license and require the Licensee to perform the repair and maintenance: and

WHEREAS, the **Service** administers the **Park** that was established as a unit of the National Park System, United States Department of the Interior pursuant to 16 U.S.C §460u; and

WHEREAS, 16 U.S.C. § 462e provides that, ". . . the Secretary may provide for the public enjoyment and understanding of the unique natural, historic, and scientific features within the lakeshore by establishing exhibits and providing such services as he may deem desirable for such public enjoyment and understanding"; and

WHEREAS, the Director of the **Service** (or his delegate) is required pursuant to 16 U. S.C. § 1a-1 to authorize only those uses of land within the **Park** which will not be a derogation of the values and purposes for which the **Park** was established, except as may have been or shall be directly and specifically provided by Congress; and

WHEREAS, 16 U.S.C. § 470(111)(c) authorizes, ". . . the (Director of the Service) to enter into contracts for the management of (historic property) to . . . insure adequate preservation of the historic property"; and

WHEREAS, 16 U.S.C. § 1a-1 as amended by the 1978 Public Law 95-250 provides for the promotion and regulation of the various areas of the National Park System so that the authorization of activities be construed and the protection, management and administration of these areas be conducted in the light of the high public value and integrity of the National Park System; and

WHEREAS, the **Service** has determined that the use of the **Park** lands for the maintenance and operation of the subject use is neither incompatible with the public interest nor inconsistent with the use of such lands for **Park** purposes; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained and each act performed or to be performed hereunder, the sufficiency of which are hereby acknowledged both parties do mutually understand and agree as follows:

Article II Statements of Work

The Memorandum of Understanding herein made is subject to the following terms and conditions:

A. General Terms

1. This agreement shall not be construed as a grant of permanent interest or as an abandonment of use and occupancy, but shall be considered a permitted use of the property as herein described which allows the **Foundation** to solicit members of the public who are interested in occupying one of the **World's Fair Houses**. In return, the would-be occupant shall assume an obligation to preserve, rehabilitate, maintain, and repair, and the house which they occupy in accordance with plans to be approved by

the **Service**. The **Foundation** shall be permitted to act as licensor of the houses and shall require the occupants to execute a license agreement in a form substantially similar to the agreement attached hereto as Exhibit A (the License Agreement) under which the **Foundation** will act as "Licensor" and the occupants will be "Licensees."

2. The **Service** agrees that the **Foundation** may arrange the temporary occupancy under a License Agreement of the Florida Tropical House (Tract 53-118), the Wieboldt-Rostone House (Tract 53-115), the Cypress Log Cabin and guest house (Tract 65-107) and the House of Tomorrow (Tract 53-119) in order to further the purposes for which this Agreement is entered into. The Armco-Ferro-MayFlower House (Tract 53-121), which is the only World's Fair House not included in this agreement, may be included in this Memorandum of Understanding by future amendment.
3. Nothing in this agreement shall be construed to allow any **Foundation** Licensee the right to sublet any portion of the properties identified in Article II, A.(2) above to any additional party or outside interest.
4. The **Foundation** shall cause the Licensees to comply with all applicable **Service** regulations and Federal laws and other existing regulations promulgated thereunder in the operation and/or maintenance of the **World's Fair Houses**.
5. The **Foundation** shall cause the Licensees to take adequate measures, as directed and approved by the Superintendent to prevent or minimize damage to **Park** resources. This may include rehabilitation, soil conservation and protection measures and ground keeping. Such activities may be conducted by the **Foundation** or, with the approval of the Superintendent, its agents or permittee, permitters or Licensees. The **Foundation** shall cause the Licensees to dispose of brush and other refuse as required by the Superintendent.
6. The **Foundation** agrees that this agreement shall be subject to the express condition that the exercise thereof will not unduly interfere with the management and administration by the **Service** of the lands affected thereby.
7. Upon expiration, revocation or termination of this agreement the **Foundation** shall leave the assigned area subject to the Memorandum of Understanding **World's Fair Houses** in a stable and usable condition, as directed and approved by the Superintendent subject to normal wear and tear.
8. At the completion of maintenance work, the Superintendent or a designated representative will inspect the area to assure that all **Service** requirements have been met.
9. The **Foundation** or its Licensees will procure and maintain at its expense a

standard fire and extended coverage insurance policy on the building and contents for the duration of the permit, a copy of which shall be furnished to the **Park**. The **Foundation** shall require the Licensee to maintain minimum property damage insurance in an amount not less than \$100,000; the minimum liability insurance for bodily injury will be \$500,000 per occurrence. The property damage insurance shall include the United States as a coinsured, and the insurance proceeds, if any, shall be made payable to the Foundation and the National Park Service, United States of America, "as their interest may appear."

10. The **Foundation** agrees to protect, defend, hold harmless, and indemnify the United States for all losses, damages of any nature whatsoever and by whomsoever made, or claims therefor resulting from or arising out of the use and enjoyment of the privileges granted herein.
11. Nothing herein contained shall be construed as binding the **Service** to expend in any one fiscal year any sum in excess of appropriations made by Congress or administratively allocated for the purpose of this agreement for the fiscal year, or to involve the **Service** in any contract or other obligation for the further expenditure of money in excess of such appropriations or allocations.
12. License Agreements entered into between the **Foundation** and its Licensees may be made for up to 20 years in duration, but may not exceed the length of this agreement. Should the original Licensee become incapable of completing the term of the License Agreement due to illness or death, the remaining term of the License may be assumed by a member of the immediate family. The License is not otherwise transferable.

B. The Foundation

The **Foundation** agrees to:

1. Operations

- a. Prepare an annual operating program which includes proposed preservation/rehabilitation work, home tours, and other programs for review and approval by the Superintendent or their representatives.
- b. Assure that routine housekeeping and maintenance of the Florida Tropical House, House of Tomorrow, Wieboldt-Rostone House and Cypress Log Cabin, is conducted in accord with schedules and procedures mutually agreed upon by the **Park**, the **Foundation** and their agents.
- c. Directly or through its agents, be responsible for ensuring that electrical power, heat, water, trash pick-up, and fire extinguishers are provided and maintained at all assigned buildings.

- d. Make access to the houses available to the public, at times to be mutually agreed to by the **Foundation** and the Superintendent for the purpose of interpreting the history of the Florida Tropical House, House of Tomorrow, Wieboldt-Rostone House and Cypress Log Cabin as may be agreed to.
- e. Assist the **Park** in museum record keeping and property accountability by notifying the **Park** Historian of any original materials or documents related to the Florida Tropical House, House of Tomorrow, Wieboldt-Rostone House, and the Cypress Log Cabin which may be encountered during the uses herein authorized. Original components or original material samples, that are removed are to be turned over to the Historian.
- f. Inform **Park** staff promptly of all injuries, accidents, safety hazards, security problems and building maintenance needs.

2. Facilities

- a. Cause the Licensees to rehabilitate, maintain and operate the Florida Tropical House, House of Tomorrow, Wieboldt-Rostone House, the Cypress Log Cabin {and the Armc-Ferro-MayFlower House as may be agreed to at a later date), in conformance with *The Secretary of the Interior's Standards for the Treatment of Historic Properties (36 CFR § 68)* and *The Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Buildings* (USDI, UPS. 1995) upon execution of a License Agreement. The names of all Licensees selected or permitted to reside within any of the permitted buildings, to use any of the permitted facilities, or to perform work within the **Park** for the **Foundation** shall be provided to the Superintendent.
- b. Require the Licensees to notify the **Park's** Superintendent or his/her designated representative in writing no less than two weeks prior to the start of any previously agreed to maintenance or repair on **Park** lands. An on-site meeting will be conducted no less than one week prior to start of construction between representatives of the **Park**, the **Foundation** and the Licensee. Unless otherwise arranged for in advance, the **Foundation** supervisor or the Licensee will contact the **Park** on the morning of the first day of work advising the location and extent of work crews in the **Park**. All work on **Park** lands shall be completed to the satisfaction of the Superintendent or their representative.
- c. Include, in any maintenance and repair work performed by the **Foundation** or Licensees, the repair or replacement of government property damaged, destroyed or rendered unserviceable as a result of the occupancy and use of same by **Foundation** employees or guests, ordinary wear and tear excepted. The **Foundation** will be responsible for, at a minimum, quarterly inspections of the **World's Fair Houses** to

ascertain their condition. In the event of complete or partial destruction, the **Foundation** will not be required to restore, repair, or replace such facilities to their original condition. If the **Foundation** chooses to restore, repair or replace the facilities, the plans must be approved by the Superintendent.

- d. Not erect, construct, alter, extend, improve or remove any building or other structure or improvement without prior written consent of the Superintendent. All interior or exterior building improvements are the property of the **Park**.
- e. Accept responsibility, directly or through its Licensees, for all routine maintenance resulting from normal use of facilities and equipment, including:
 - * Maintenance and repair of building interiors.
 - * Maintenance and repair of all utilities.
 - * Maintenance and repair of doors, windows, porches, steps and other structural features.
 - * Painting of building exteriors in accordance with a schedule provided by the **Park**.
 - * Maintenance and repair of roofs and building exteriors.
- f. Secure all buildings not in use. Periodic checks will be conducted by the Foundation for security, safety and maintenance. These checks will be documented and available for inspection by the Superintendent's representative.

3. Grounds

- a. Take adequate measures as directed and approved by the Superintendent to prevent or minimize damage to **Park** resources. This may include rehabilitation, soil conservation and protection measures and landscaping. The **Foundation** shall dispose of brush and other refuse as required by the Superintendent. No vegetation may be cut (other than routine mowing of grass and lawn care) or destroyed without first obtaining written permission from the Chief of Resource Management, Indiana Dunes National Lakeshore, 1100 N. Mineral Springs Road, Porter, Indiana 46304.

Use of pesticides and/or herbicides in the maintenance operations on **Park** lands is strictly prohibited, except with written permission from the Superintendent.

- b. Accept responsibility for all routine maintenance resulting from normal use of grounds, including:
 - * Maintenance of all yards, lawns and grounds associated with the facilities and within the legal descriptions of the original properties.
 - * Assuring that all grounds are kept in a clean and orderly state.

This duty may be assigned to the Licensees.

C. The Park

The **Park**, through the Superintendent of the **Park** and the designated representative agrees to:

1. Liaison

- a. Permit the licensed use and occupancy of government-owned lands and structures, specifically:

The Florida Tropical House (53-118), the Wieboldt-Rostone House (Tract 53-115), the Cypress Log Cabin (Tract 65-107) including the guest house and the House of Tomorrow (Tract 53-119) to be used for such purposes.

- b. Provide technical advice and support for historical preservation, interpretation, and research projects undertaken by the **Foundation** which will benefit the **Park**.
- c. Provide supervision and training for interpretive volunteers in the Century of Progress Architectural District.

2. Facilities

- a. Provide regulatory and other needful UPS signs, which will be installed under the supervision of the Facility Manager. All signs must be approved by the Superintendent prior to emplacement.
- b. Reserve the right to enter any structures, with advance notice, for inspection. Such inspection will be conducted in conjunction with **Foundation** staff.
- c. Not be responsible for snow removal on walks and drives.
- d. Secure the structure(s) and initiate funding requests as may be necessary to stabilize and/or repair the damage in the case of catastrophic loss such as fire, wind or wave damage.

Article III
Term of Agreement

The Memorandum of Understanding hereby made shall terminate twenty (20) years from the effective date hereof, at noon, **Central (Northwest Indiana)** time, unless prior thereto it is renewed, relinquished, abandoned, or otherwise terminated pursuant to the provisions of this agreement or of any applicable Federal law or regulation. The extended term of this agreement

is made based on the substantial financial commitment made by the Licensees in order to rehabilitate the structures and the subsequent time necessary to amortize their investment.

The effective date of this agreement shall be the date of its execution by the Superintendent. Any alterations to this agreement must be in writing and signed by the parties hereto.

Unless relinquished, abandoned, or otherwise terminated pursuant to the provisions of the agreement or of any applicable Federal law or regulations, the agreement will be considered for renewal. Renewals will be subject to regulations existing at the time of renewal and such other terms and conditions deemed necessary to protect the public interest.

Article IV Key Officials

This Memorandum of Understanding is subject to the conditions of the Superintendent or their representative, and shall comply with the regulations of the Secretary of the Interior and other applicable conditions as outlined herein.

Superintendent
Indiana Dunes National Lakeshore
1100 North Mineral Springs Road
Porter, Indiana 46304-2995

Superintendent
Chief, Resource Management
Historian/Curator
Historic Architect
Facility Manager
Chief, Resource & Visitor Protection

The **Northern Regional Director** of the **Historic Landmarks Foundation of Indiana** or their delegate shall direct operations and measures agreed to in this instrument.

Northern Regional Director
Historic Landmarks Foundation of Indiana, Inc.
520 E. Colfax
South Bend, Indiana 46617

Article V

Property Utilization

Not applicable.

Article VI

Prior Approval

Not applicable. Items requiring verbal or written approval are identified above.

Article VII

Reports

Within 60 days of the effective date of this agreement and by January 31 each year, the **Foundation** shall furnish the Park for approval an annual plan of operations which will detail what the **Foundation** proposes to do over the coming year, how it plans to operate the sites allocated to it under this agreement for the next season, and what assistance it seeks from the **Park**. This plan shall include a description of major projects, a program schedule, and any structural rehabilitation or changes.

Every January 31, the **Foundation** shall submit an annual report to the Park, which summarizes its activities related to the Historic District over the previous year. The **Foundation** shall include an annual financial report regarding income and expenses related to the operations of structures under this agreement. The **Park** and any duly authorized representative of the Department of the Interior shall have access and the right to examine any books, documents, papers and records related to this agreement.

The **Foundation** shall prepare and maintain a health and safety plan, revised annually and in compliance with NPS-50, the National Park Service Loss Control Program Guideline. A copy of this plan shall be provided to the Park; a second copy shall be available at each Historic Structure at all times.

Article VIII

Termination

This agreement may be terminated upon breach of any of the conditions herein or at the discretion of the Superintendent, Indiana Dunes National Lakeshore. Either Party may terminate the Memorandum of Understanding by providing sixty (60) days written notice to the other after written notice of the breach has been delivered.

Article IX
Required Compliance

During the performance of this agreement, the participants agree to abide by the terms of Executive Order 11246 on nondiscrimination and will not discriminate against any person because of race, color, religion, sex or national origin. The participants will take affirmative action to ensure that applicants are employed without regard to their race, color, religion, sex or national origin.

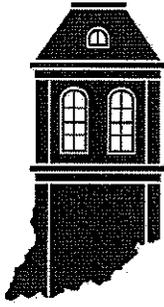
No member or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of this agreement, or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the Superintendent of **Indiana Dunes National Lakeshore**, acting on behalf of the United States, in the exercise of the delegated authority from the Secretary of the Department of the Interior, has caused this Memorandum of Understanding number MU 6300-6-001 to be executed this ___th day of July, 1998.

Dale B. Engquist
Superintendent
Indiana Dunes National Lakeshore

ACCEPTED THIS _____ DAY OF _____, 1998.

J. Reid Williamson, Jr.
President
Historic Landmarks Foundation of Indiana



HISTORIC
LANDMARKS
FOUNDATION OF
INDIANA

Sower Farmhouse Restoration Proposal

Name of Applicant:

Current Address:

Contact information:

Phone:

E-Mail:

Member of Historic Landmarks Foundation of Indiana: Yes No

Please describe why you are interested in restoring the subject property.

Describe relevant historic restoration experience. Please describe any projects successfully completed, their scope, financial cost and dates. Note if any of the properties were listed on the National Register of Historic Places or the Indiana Register of Historic Places.

Describe pertinent professional experience that will aid your restoration of the property in question?

What is your experience with working under the Secretary of the Interior Guidelines or similar historic preservation guidelines?

Please include a basic rehabilitation plan and associated budget that outlines your proposed restoration tasks, a timeline (not to exceed twenty-four months) and estimated costs. (Please note which if any parts of the construction work you intend to undertake yourself and what items you intend to pay for outside contractors. Make sure to include costs for materials for the tasks you intend to undertake yourself.)

Please include a financial summary outlining your financial ability to undertake the necessary rehabilitation costs as outlined in your plan above.

What contractors would you intend to contract with for construction tasks and their restoration experience?

Other information for the consideration of the committee.

By signing below we acknowledge the following as part of our proposal submission:

We have read and agree to the terms of the Sub-Lease;

Understand that all work must be approved by Historic Landmarks Foundation of Indiana and the staff of the Indiana Museums and Sites and must conform to the Secretary of the Interior Standards for Historic Preservation.

Name

Date

Name

Date

Sower Farmhouse
SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT, entered into by Historic Landmarks Foundation of Indiana, Inc. (Lessor), (Lessee under a Memorandum of Understanding ("State Agreement") last modified on _____ and attached hereto as Attachment A, and **ENTER NAME OF SUBLESSEE**, jointly and severally (referred to herein as Sublessee),

WITNESSETH THAT Lessor and Sublessee, in consideration of their mutual undertakings, agree as follows:

Lessor and the State of Indiana ("State") have entered into a Lease Agreement ("Lease") with respect, *inter alia*, to the premises known as Sower Farmhouse (the "Premises") whereby the State has granted Lessor the leasehold right to occupancy of the Premises for up to thirty five years. By execution hereof, Sublessee acknowledges Sublessee's receipt and review of the State Agreement, and that this Sublease Agreement and Sublessee's rights hereunder are subject in all respects to the terms and conditions of the State Agreement. In the event of a conflict between the rights of Lessor under the State Agreement and the rights of Sublessee hereunder, the State Agreement shall prevail to the end that Sublessee shall have no greater rights under this Agreement with respect to the Premises than Lessor has under the State Agreement.

Lessor hereby grants to Sublessee the right to occupy the Premises as further described in Attachment B and all appurtenances thereto for a term of thirty (30) years commencing on _____, 2010, and ending on _____, 2040, unless sooner terminated (the "Base Term"). Sublessee shall have the first option to renew this Sublease Agreement for an additional thirty (30) year term if (a) written notice exercising the option is given by Sublessee to Lessor not later than one hundred eighty (180) days prior to the expiration of the Base Term; (b) Sublessee is not at the time of exercise of such option in default under any of the terms and conditions of this Agreement; (c) this Agreement has not been terminated during the Base Term; (d) the State has renewed its Memorandum of Understanding with the Lessor; and (e) the State, the Lessor and the Sublessee agree in writing to any changes in the terms and conditions of the agreement at the time of renewal. All covenants and agreements of this Agreement applicable to the Base Term shall apply with like force and effect during any renewal term, except where inapplicable or where the context otherwise indicates. If State does not renew its Memorandum of Understanding with the Lessor, Sublessee shall be given the first and exclusive right to negotiate an on-going lease directly with the State with terms and conditions as agreed upon directly between those two parties.

In consideration hereof, and in lieu of cash rent, Sublessee agrees to restore and maintain the Premises in accordance with paragraph 4 and as outlined in further in Attachment D below. Sublessee further agrees that its rights hereunder are further subject to the following covenants, terms and conditions:

1. Use, Compliance With Laws, Signs

The Premises shall be for the primary use of the Sublessee for the purpose of a single family residence and for no other use or purpose. Sublessee shall rehabilitate and maintain the Premises in accordance with the Paragraph 4 below, and shall otherwise keep the Premises in a clean and orderly condition and shall conduct activities therefrom in a careful and safe manner. Sublessee shall not use the Premises or maintain it in any manner constituting a violation of this Agreement, the State Agreement or any ordinance, statute, regulation, or order of any governmental authority, including without limitation zoning ordinances, nor shall Sublessee maintain, permit or suffer any nuisance to occur or exist on the Premises. All permanent alterations must be reviewed and approved by the Lessor and the State before initiating work.

2. Surrender and Holdover.

Upon the expiration or sooner termination of this Sublease Agreement, Sublessee shall surrender to Lessor the Premises, together with all other property affixed to the Premises, including any property permanently affixed by the Sublessee during the term of the Sublease Agreement, broom clean. Unless an event of default as hereinafter defined has occurred and remains uncured, Sublessee shall prior to the expiration of the term remove all of Sublessee's personal property from the Premises. Any damage to the Premises caused by such removal shall be repaired by Sublessee prior to the expiration of the term. At Lessor's option, if Sublessee fails to remove such

personal property then the same shall be deemed the property of Lessor. If Sublessee shall remain in possession of all or any part of the Premises after the expiration of the term of this Sublease Agreement, with the consent of the Lessor, then the Sublessee shall be a Sublessee from month to month at the rental of One Dollar (\$1.00) per month and subject to all of the other applicable covenants, terms and conditions hereof.

3. **Assignment and Transfer.**

Sublessee shall not assign, mortgage, encumber, or transfer this Sublease Agreement or the estate created by this Sublease Agreement in whole or in part, or let the Premises or any part thereof, nor grant a license or concession in connection therewith except as outlined herein, without the prior written consent of Lessor, which may not be unreasonably withheld. This prohibition shall include any act which has the effect of an assignment or transfer and which occurs by operation of law, except any transfer or assignment resulting from the death of Sublessee.

Sublessee may, upon (1) completion of the rehabilitation as outlined herein, and (2) provided there have been no defaults in the terms and conditions of this Sublease Agreement, (3) an event has caused the Sublessee to no longer be able to utilize or enjoy the property; sell Sublessee's entire interest in the Sublease Agreement, subject to the provisions herein to a Successor In Interest (hereafter, "Successor") subject to the remaining term of the Sublease Agreement. It is the responsibility of the Sublessee to value this transaction. Neither the Lessor or State will be a party to this transaction except as provided for herein. Once Sublessee has reached a written agreement with a potential Successor, the Sublessee shall notify Lessor in writing of Sublessee's intent to terminate this Sublease Agreement together with a copy of the written binding agreement with the Successor. Lessor has the right to review and approve the Successor including but not limited to Successor's background, credit rating and financial status. Lessors approval shall not be unreasonably withheld. Upon Lessor's written approval, Successor and Lessor shall enter into a new Agreement with Successor containing all terms and conditions of this Sublease Agreement, dated _____, 2009 including the termination date of _____, 204. Lessor nor the State is responsible for or will participate in any of Sublessee's marketing activities. No signage may be erected on the Premises for this purpose. Lessor shall receive a thirty day written notice from Sublessee informing Lessor of Sublessee's intent to exercise this option. Should the Sublessee become incapable of completing the term of this Sublease Agreement due to illness or death, the remaining base term of the Sublease Agreement may be assumed, with written documentation satisfactory to Lessor by a member of Sublessee's immediate family.

4. **Alterations and Maintenance of Premises.**

Sublessee accepts the Premises in its "As Is" condition existing on the date hereof, and Sublessee acknowledges and agrees that Lessor has made no written or oral representations or warranties, either express or implied, with respect to the condition and repair of the Premises. Sublessee shall not cause or permit any alterations, additions or changes of or upon any part of the Premises without first obtaining the written consent of Lessor, which Lessor may grant only upon written approval of same by the State. Sublessee acknowledges that Lessor must solicit and receive permission from the State for all alterations or changes to the Premises.

The Sublessee and Lessor have entered into a "Letter of Intent" which is incorporated into this Sublease Agreement as Attachment C. During the period outlined in the Letter of Intent, the Sublessee has created and received approval from the Division of Historic Preservation and Archaeology for the Premises Rehabilitation Plan (the "Plan") which is incorporated into this Sublease Agreement as Attachment D. The Plan is based on the Historic Structures Report, which is incorporated into this Sublease Agreement as Attachment E, developed and approved by the State and the Indiana Division of Historic Preservation and Archaeology. The Plan may be modified by mutual acceptance of the Lessor, the State and the Sublessee, however such modifications may require the approval of the Indiana Division of Historic Preservation.

No more than sixty days from the date that the Sublessee is notified in writing by the State of approval of the Plan by the Division of Historic Preservation and Archaeology, Sublessee shall begin the rehabilitation work and proceed with diligence to complete the rehabilitation work in strict compliance with the Plan. The rehabilitation work shall be completed no later than twenty-four (24) months following the written notice by the State to the Sublessee of approval of the plan by the Indiana Division of Historic Preservation and Archaeology. The Sublessee

will not be considered in default of this agreement if rehabilitation work outlined in the Plan and submitted as part of the Plan is delayed due to contractor delays, delays in necessary approvals by the State or Indiana Division of Historic Preservation and Archaeology or Acts of God. In such case, Sublessee will submit a revised Plan to Lessor for its written approval. In addition, in the case of delay as described above, Lessor shall grant such reasonable extension of the completion deadline to accommodate the delay.

The rehabilitation work shall consist of all materials, labor, and acts required to place the interior and exterior of the Premises to a condition consistent with specifications of the Plan. All rehabilitation work shall be performed with first class materials and workmanship to restore the Premises to a "first class condition", as that phrase is hereinafter defined. All rehabilitation work shall be performed in full compliance with applicable laws, ordinances, and regulations. Without limiting the foregoing, rehabilitation shall be done in conformance with *The Secretary of the Interior's Standards for Treatment of Historic Properties* (35 CFR ' 68) and *The Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Buildings* (USDI, NPS-1995) (the "Rehabilitation Guidelines"). Sublessee shall repair or replace any government property damaged, destroyed or rendered unStateable as a result of occupancy and use of the same by Sublessee or its employees, agents, contractors or invitees.

Sublessee shall maintain the Premises in a "first class condition". "First class condition" includes, without limitation:

Exterior: chimneys tuck-pointed or otherwise safe and sound; roof, flashing, gutters, and downspouts weather-tight and of original materials or those specified in the Plan; masonry tuck-pointed and/or otherwise secure and sound; painted surfaces maintained in appropriate colors and free of obvious peeling, rusting, or other discoloration; windows, doors, and other wooden elements maintained free of rot, caulked where appropriate, and close fitting; exposed metal surfaces free from rust or oxidation and protected with appropriate materials; window lights in place where originally existing and properly glazed; foundation walls sound and secure; fences maintained and in sound condition; building and grounds reasonably free of debris, construction materials, or waste and without inappropriate fixtures, devices, or things attached to or around the Premises; grounds mowed and maintained as provided in Section II.B.3. of the State Agreement; and the Premises maintained in compliance with the Rehabilitation Guidelines and all applicable laws, ordinances, and regulations.

Interior: Sublessee shall replace and maintain in good repair all molding, crown molding, baseboard, window and door frames, sashes, staircases, fire place mantels, interior doors, built-in cabinets and other elements of the Premises, if any, specified in the Plan.

Sublessee shall pay for all water, gas, heat, light, power, telephone and other utilities and States supplied to the Premises, together with any taxes thereon. To the extent such utilities and other States are not presently available at the Premises, Sublessee shall be responsible therefor, subject to this Paragraph and any requirements of the State with respect thereto.

Sublessee shall, in writing, notify the Lessor who will in turn notify State of start date of rehabilitation work and provide the names, contact information (name, address, phone number) of all of the Sublessee's contractors, sub-contractors or representatives. Sublessee and their representatives (contractors, architect, construction manager), representatives of the State and the Lessor shall attend an on-site meeting no less than one week prior to start of construction. Sublessee, or Sublessee's representative, shall, in writing, notify State on the morning of the first day of work advising that restoration work will commence.

5. **Destruction.**

If the Premises should be damaged or destroyed by fire or other cause, including, without limitation, wind damage, or the effects of erosion or flood then Sublessee shall as soon as reasonably practicable, to the extent insurance proceeds are made available therefore and the State consents thereto, repair and restore the Premises to substantially the same condition they were in prior to the damage or destruction. Any repairs and changes to the property must be approved in writing by the Lessor who will gain the approval of the State per Paragraph 4 above before granting such approval. If, after consultation and approval of the State, the Premises is deemed to be

beyond repair, Sublessee shall have the right to cancel this Sublease Agreement by giving Lessor notice of such election within thirty (30) days after receipt by Lessor of notice of the occurrence of such damage or destruction and this Sublease Agreement shall terminate as of fifteen (15) days after the date such notice is given.

The provisions of this Section are not intended to limit, modify or release Sublessee from any liability it may have for damage or destruction.

6. **Condemnation.**

If the entire Premises, or any portion thereof is condemned by any legally constituted authority, or if a conveyance or other acquisition in lieu of such condemnation is made, then this Agreement shall terminate as of the date possession is required by the condemnor. Each party to this Sublease Agreement shall be responsible for taking action, at their own cost, to recover proceeds as may be awarded in the condemnation procedure.

7. **Mechanic's Liens.**

Sublessee shall not permit any Statement of Intention to hold a Mechanic's Lien to be filed against the Premises or any part thereof nor against any interest or estate therein by reason of labor, States or materials claimed to have been performed or furnished to or for Sublessee. If such Statement of Intention to hold a Mechanic's Lien shall be filed, Lessor at its option may compel the prosecution of an action for the foreclosure of such Mechanic's Lien by the lienor. If any such Statement of Intention to hold a Mechanic's Lien shall be filed and an action commenced to foreclose the lien, Sublessee, upon demand by Lessor, shall cause the lien to be released by the filing of a written undertaking with a surety approved by the Court and obtaining an order from the Court releasing the property from such lien. Nothing in this Sublease Agreement shall be deemed or construed to constitute consent to or request to any party for the performance of any labor or States or the furnishing of any materials for the improvement, alteration or repairing of the Premises; nor as giving Sublessee the right or authority to contract for, authorize or permit the performance of any labor or States or the furnishings of any material that would permit the attaching of a valid Mechanic's Lien.

8. **Insurance; Indemnification and Release.**

Sublessee shall obtain and keep in force during the term of this Sublease Agreement a policy of comprehensive public liability insurance insuring Sublessee, Lessor and the State against any liability arising out of the possession, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in an amount of not less than \$500,000 for injury to or death of one person in any one accident or occurrence and in an amount of not less than \$1,000,000 for injury to or death of more than one person in any one accident or occurrence. Such insurance shall further insure Sublessee, Lessor and the State against liability for property damage of at least \$1,000,000. The limits of said insurance shall not, however, limit the liability of Sublessee hereunder. If Sublessee shall fail to procure and maintain said insurance Lessor may, but shall not be required to, procure and maintain the same, but at the expense of Sublessee.

Sublessee shall obtain and keep in force during the term of this Agreement a policy or policies of standard fire and extended coverage insurance covering loss or damage to the Premises, in such amount as Lessor in its reasonable discretion may determine, but in no event less than the replacement cost of the rehabilitation work completed pursuant to paragraph 4 above. Said insurance shall provide for payment for loss thereunder to Sublessee, Lessor and the National State State, United States of America, as their interests may appear; provided, however, that none of such insurance proceeds shall be payable to Sublessee unless, as a consequence of loss or damage to the Premises, Lessor cancels this Agreement pursuant to paragraph 5, in which event Sublessee shall be entitled to receive insurance proceeds equal in amount to the cost of the rehabilitation work completed by Sublessee pursuant to paragraph 4 less such adjustment for depreciation as may be provided for in the insurance policies. Sublessee shall insure any personal property of Sublessee on the Premises.

Insurance required hereunder shall be in companies satisfactory to Lessor. Sublessee shall deliver to Lessor duplicate original policies of the insurance required to be maintained by Sublessee hereunder. No such policy shall be cancelable or subject to reduction of coverage or other modification except after ten (10) days' prior written notice to Lessor. Sublessee shall, within ten (10) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof, or Lessor may order such insurance and charge the cost thereof to Sublessee, which amount shall be payable by Sublessee upon demand. Sublessee shall not do or permit to be done anything, which shall invalidate the insurance policies maintained by Lessor or Sublessee.

Sublessee and Lessor each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. The insuring party shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Agreement.

Sublessee shall indemnify and hold harmless Lessor and the State from and against any and all claims arising from Sublessee's use of the Premises, or from the conduct of Sublessee's business or from any activity, work

or things done, permitted or suffered by Sublessee in or about the Premises or elsewhere and shall further indemnify and hold harmless Lessor and the State from and against any and all claims arising from any breach or default in the performance of any obligation on Sublessee's part to be performed under the terms of this Agreement, or arising from any negligence of Sublessee, or any of Sublessee's agents, contractors or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor or the State by reason of any such claim, Sublessee upon notice from Lessor shall defend the same at Sublessee's expense by counsel satisfactory to Lessor. Sublessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises arising from any cause and Sublessee hereby waives all claims in respect thereof against Lessor or the State.

Sublessee hereby agrees that Lessor shall not be liable for injury to Sublessee or for damage to the goods, wares, merchandise or other property of Sublessee, Sublessee's employees, invitees, customers or any other person in or about the Premises, nor shall Lessor be liable for injury to the person of Sublessee, Sublessee's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, including without limitation, wind or wave damage, or the effects of erosion, whether said damage or injury results from conditions arising upon the Premises, or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Sublessee.

9. **Events of Default.** Any of the following shall be deemed an Event of Default:

- A. If the Sublessee fails to perform or observe any covenant, term or condition of this Agreement to be performed or observed by Sublessee and if curable, the failure continues for 15 days after notice thereof is given to Sublessee.
- B. The Sublessee's abandonment of the Premises
- C. The filing or execution or occurrence of:
 - (1) An involuntary petition in bankruptcy against the Sublessee and their failure, in good faith, to promptly commence and diligently pursue action to dismiss the petition.
 - (2) A petition against the Sublessee seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, and their failure, in good faith to promptly commence and diligently pursue action to dismiss the petition.
 - (3) A general assignment for the benefit of creditors by the Sublessee.
 - (4) The taking by any party of the Sublessee's rights hereunder, or any part thereof, upon foreclosure, levy, execution, attachment or other process of law or equity.
- D. Sublessee rents Premises for terms, which would no longer qualify Premises as being primarily used by Sublessee or as outlined in Section 3 of this document.

For purposes of this Sublease Agreement, the term "Sublessee" shall include any assignee, lessee, transferee or guarantor of Sublessee. This provision, however, shall not be construed to permit the assignment of this Agreement, nor the letting of the Premises, nor the transfer of except as may be permitted hereby.

10. **Lessor's Remedies.** In any Event of Default by the Sublessee, Sublessee shall be liable on a joint and several basis. Upon the occurrence of any Event of Default Lessor may, at its option, in addition to any other remedy or right it has hereunder or by law:

- A. Re-enter the Premises, without demand or notice, and resume possession by an action in law or equity or by force or otherwise, and without being liable in trespass or for any damages, and terminate this Agreement. Lessor may remove all persons and property from the Premises and such property may be removed and stored at the cost of Sublessee.
- B. Obtain injunctive relief to force compliance by Sublessee with the provisions of this Agreement; and
- C. Pursue such other remedies at law and in equity as may be available to Lessor.

Upon the occurrence of the filing of a voluntary petition in bankruptcy by the Sublessee; the filing of a petition or answer by the Sublessee seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act; an adjudication of the Sublessee as a bankrupt or insolvent; or the appointment of a trustee, receiver, guardian, conservator or liquidator of the Sublessee with respect to all or substantially all of its property, this Agreement shall terminate ipso facto as of such occurrence as to that party and the Premises shall be surrendered to the non-defaulting party.

11. **Advances and Interest.**

Upon the occurrence of any Event of Default, Lessor may, if such default has not been cured, cure that default for the account and at the expense of Sublessee. If Lessor in curing such default is compelled to pay or elects to pay any sum of money or do any acts, which will require the payment of any sum of money, the sum so paid or incurred shall be reimbursed by Sublessee upon demand by Lessor. All sums as to which Sublessee is in default of payment shall bear interest at the rate of eighteen percent (18%) per annum until paid.

12. **Attorney's Fees.**

Each party shall pay the other party's reasonable legal costs and attorney's fees incurred in successfully enforcing against the other party any covenant, term or condition of this Agreement.

13. **Access by Lessor; Public Access to Premises; Reports.**

Lessor, Lessor's agents, and Lessor's prospective lessees, or purchasers, the State and the agents and employees of the State shall be permitted to inspect and examine the Premises at all reasonable times and Lessor shall have the right to make any repairs to the Premises which Lessor may deem necessary, but this provision shall not be construed to require Lessor to make repairs except as is otherwise required hereby. In addition, Sublessee agrees that the Premises shall be open to the public one day per year, to be determined by Lessor with input and assistance from the Sublessee, for the purpose of interpreting the history of the Premises. Lessor shall provide no less than six (6) months advanced written notice to Sublessee with the date and times of the public open house. Lessor assumes no liability for instances occurring during the public open house and will work with Sublessee to design an agreeable route through the Premises.

By January 15th of each year, Sublessee shall furnish Lessor (which shall in turn provide it to State) for approval an annual plan of operations (rehabilitation) which will detail what Sublessee proposes to do over the coming year, how it plans to operate the Premises for the next season, and what assistance it seeks from the State. This plan shall include a description of major projects, a program schedule and any structural rehabilitation or changes. Every January 15th during the term of this Agreement, Sublessee shall submit to Lessor (which shall in turn provide it to State) an annual report which summarizes its activities related to the Premises over the previous year. This shall include an annual financial report regarding expenses related to the rehabilitation of the Premises. Nothing herein or in such plan shall limit or otherwise affect Sublessee's other obligations under this Sublease Agreement, pursuant to Paragraph 4 hereof.

14. **Quiet Enjoyment.**

If Sublessee shall perform all of the covenants and agreements herein provided to be performed on Sublessee's part, Sublessee shall, at all times during the term, have the peaceable and quiet enjoyment of possession of the Premises without any manner of hindrance from Lessor or any parties lawfully claiming under Lessor, but subject to the terms of this Agreement and the State Agreement and the rights of any governmental authority having jurisdiction over the Premises, including, without limitation, the State. Sublessee expressly acknowledges that the beach below the Premises is accessible to the general public and Sublessee has no special rights or privileges that extend to the use or ability to regulate public use of the beach.

15. **General Agreement of Parties.**

This Sublease Agreement shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties. This provision, however, shall not be construed to permit the assignment of this Agreement except as may be permitted hereby. When applicable, use of the singular form of any word shall mean or apply to the plural and the neuter form shall mean or apply to the feminine or masculine.

The captions and article numbers appearing in this Sublease Agreement are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of such provisions. No waiver by Lessor of any default by Sublessee shall be effective unless in writing, nor operate as a waiver of any other default or of the same default on a future occasion. Lessor's acceptance of rent shall not be deemed a waiver as to any preceding default. Any notices to be given hereunder shall be deemed sufficiently given when in writing and (a) actually served on the party to be notified or (b) placed in an envelope directed to the party to be notified at the following addresses and deposited in the United States mail by certified or registered mail, postage prepaid:

1. If to Lessor at Historic Landmarks Foundation, Lessor, Inc., Northern Regional Office, 402 W. Washington, South Bend, Indiana, 46601.
2. If to the Sublessee at:

Such addresses may be changed by either party by written advice as to the new address given as above provided. If there is more than one Sublessee, their obligation shall be joint and several. This Sublease Agreement shall be recorded At the expense of Lessor.

16. **Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards.**

In the event that this transaction is deemed to be subject to 24 C.F.R. Subtitle A, Subpart H, Landmarks and Sublessee have executed the Disclosure Document attached hereto as Attachment F.

Attachment A

Memorandum of Understanding
Between
Historic Landmarks Foundation of Indiana
And
State of Indiana

Attachment B

Boundary description of parcel

Attachment C
Letter of Intent

Attachment D

Premises Rehabilitation Plan as approved by Historic Landmarks Foundation of Indiana

Attachment F

Lead Disclosure Document