

John Ditslear, Mayor

May 30, 2017

Indiana Transportation Museum, Inc.
c/o Craig R. Presler
136 S. 9th Street, Suite 104
Noblesville, Indiana 46060
Certified Mail #70140510000054561636

Indiana Transportation Museum Foundation, LLC
c/o David E. Wilcox
139 S. 9th Street, Suite 105
Noblesville, Indiana 46060
Certified Mail #70140510000054561612

ITM Railroad Operations, LLC
c/o Craig R. Presler
136 S. 9th Street, Suite 104
Noblesville, Indiana 46060
Certified Mail #70140510000054561629

ITM Assets, LLC
c/o Michelle Yerkeson
136 S. 9th Street, Suite 104
Noblesville, Indiana 46060
Certified Mail #7014051000005456163

Re: Hazardous Spills at the Site of the Indiana Transportation Museum

Dear Ms. Yerkeson and Gentlemen:

This letter is sent to you to notify you of a serious default under the terms of the Lease of the Indiana Transportation Museum, Inc., ("the Museum") and to request that the Museum and the above affiliated entities immediately initiate remediation procedures on the site leased to you from the City of Noblesville and the Noblesville Parks and Recreation Board.

Several weeks ago your representatives asked Channel 6 to come to the Museum site and run a report as part of your ongoing efforts to promote yourselves as the proper operator of the Nickle Plate Railroad line. On the week of May 15, 2017, a reporter from WRTV-6 contacted the City of Noblesville to report observations of oil drums of grease, diesel fuel, and other products and chemicals used for the maintenance of the railroad maintenance yard operations on site. They observed heavy staining around the drums and containers; numerous fifty-five (55) gallon drums improperly stored, many of them damaged and not sealed properly; secondary containment devices with drain plugs missing and fuel stains around the area; and many smaller containers improperly stored. After that report, the City went to the site to investigate and observe the issues reported by Channel 6.

Based on the observation of the site, the City immediately filed a Report with the Indiana Department of Environmental Management ("IDEM"), as is required by law. Because the release and dumping of these types of materials is a violation of the environmental laws of the State of Indiana, your various entities, their officers, employees, and/or volunteers, have violated the environmental laws of the State of Indiana as prohibited by Article II of the Lease. In addition, the release of these materials without remediation and clean-up, makes it impossible for you to return the property to the City and the Parks Department in a clean, sightly, and healthful condition, as required by Article III of the Lease.

Therefore, the City has no alternative but to demand that you immediately undertake containment measures for all stored liquid materials on your site to assure that this situation does not continue to deteriorate by polluting the land of the City, as well as potentially causing ground water contamination. The containment plan is the short term action to make sure the condition does not continue to deteriorate.

The City is also requiring a clean-up plan to permanently remove the contamination of the site in accordance with State law and the rules of IDEM. The short term remediation plan must be filed with the City within thirty (30) days of the date of this letter stating the procedures to be undertaken by your entities; the persons undertaking the work; the name, address, phone number, and other contact information of the licensed environmental engineer or firm which will be supervising the clean-up; and the name and address of the facility where you anticipate disposing of the materials which need to be removed from the site immediately.

The City is requiring that you retain a licensed environmental professional to be involved in preparing the plan, and supervising any work done at the site. It is apparent from the leakage on the site, some of which is documented in the attached photographs, that your Board, its employees, and/or volunteers either have no appreciation of the dangers of leaking storage containers, and/or they have total disregard for the rules and laws concerning such activities.

Given the emergency nature of the existing leaks, these containment measures need to be fully completed within sixty (60) days of the date of this letter. After the containment activities have taken place, you need to immediately initiate clean-up procedures of the spills that have occurred

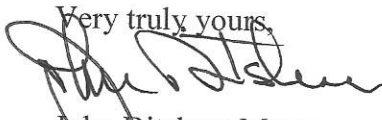
during your possession of the leased premises. Again, a remediation plan needs to be filed with the City within ninety (90) days of the date of this letter, including all of the information included in the containment plan, and a detailed timetable for cleaning up the facilities.

The City has retained an outside environmental firm to assist the City in monitoring this situation. Under the laws of Indiana, you as the "spiller", have primary liability for the containment and remediation of these issues. Unfortunately, if you do not have sufficient assets to complete these tasks, the City and its taxpayers will ultimately be required to pay the expense caused by the acts of the Museum.

In order to assure the Museum and its affiliates pay these costs, the City is demanding that your entities cease all expenditures other than those in the normal course of business. Because our experts have determined that the cost of containment and remediation could well exceed One Hundred Thousand Dollars (\$100,000), the City is fearful that your liability to clean-up these spills could well exceed the value of all of your combined assets. You are, therefore, on notice that any expenditures over and above the ordinary course of business, will result in further action by the City.

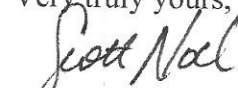
We look forward to promptly receiving contact from your environmental expert with the plan to begin remediation of this project.

Very truly yours,



John Ditslear, Mayor
City of Noblesville

Very truly yours,



Scott Noel, President
Noblesville Parks and Recreation Board

cc: Indiana Transportation Museum, Inc.
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