



July 7, 2006

Mayor Bryan Barnett
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309-3033

Re: Madison Park Project Development by REI ("Project")

Dear Mayor Barnett:

As you are aware, Oakland County and the Drain Commissioner's Office have been contacted by Rochester Hills and REI with respect to the Project. Specifically, the County and the Drain Commissioner have been asked to assist in obtaining public financing for the Project. Since the City of Rochester Hills can handle all aspects of the Project (Brownfield and public financing) without County assistance, the County is not interested in expending further resources on the Project unless and until there is a clear expression from the City in the form of a resolution requesting such assistance.

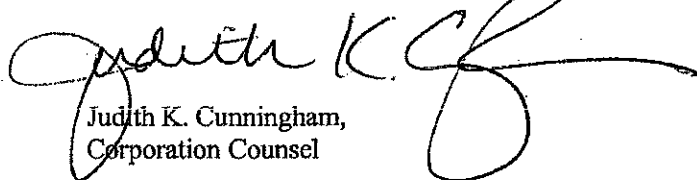
To that end, we have enclosed a resolution to be considered by the City Council. If the resolution is adopted by September 1, 2006, the County will undertake a thorough review of all of the issues posed by this Project. The September 1, 2006 date has been selected as we understand that various elements of the public financing explored by the Drain Commissioner will expire on September 30, 2006. Since the County has already expended significant resources on the Project (including preparing this resolution), the County would not be amenable to any substantive changes to the resolution.

It should be noted that this time line is not applicable to the Chapter 20 process through the Drain Commissioner's Office which should proceed within the next 30 days.

Thank you for your attention and cooperation in this respect.

Sincerely,

OAKLAND COUNTY CORPORATION COUNSEL



Judith K. Cunningham,
Corporation Counsel

JKC/egm

Enclosure

cc: John D. Staran, Esq. ✓

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RESOLUTION

WHEREAS the City of Rochester Hills (the "City") has a Brownfield project commonly known as the Madison Park Project (the "Project") that it would like to have reviewed and undertaken by the Oakland County Brownfield Redevelopment Authority (the "County Authority");

WHEREAS the City of Rochester Hills has created a Brownfield Authority and has approved a Brownfield Redevelopment Plan for the Project, but wishes to have the County Authority review the Project to evaluate the feasibility of the issuance of bonds as described below;

WHEREAS the County Authority was created by Oakland County, pursuant to MCL 125.2651 et seq.;

WHEREAS the County Authority is prepared to assist the City by reviewing the proposed Madison Park Project provided that the City approves of the transfer of jurisdiction to the County Authority;

NOW BE IT THEREFORE RESOLVED as follows:

1. The City requests that the County Authority review and undertake the Madison Park Project and the City hereby approves the transfer of jurisdiction of the Project to the County Authority,
2. The City acknowledges and understands that if after reviewing the Project, the County Authority approves the Project, it will capture certain taxes which will be used either directly to pay the eligible costs of remediation or to retire a bond issue contemplated by the County Authority or by a drainage district created for such purpose, or both, to accomplish the remediation, and consistent with its normal and usual practices the County Authority will collect certain administrative fees, and monies to supplement its revolving loan fund. If the Project is approved it is contemplated that most of the funds will be raised through the issuance of bonds by a County drainage district (the "Drainage District") or the County Authority or both which will be specified in detail in any Brownfield plan before it is finally adopted. The approval of any such Brownfield Plan and issuance of any such bonds is contingent on the satisfaction of certain conditions and contingencies, including relevant approvals by the Michigan

Department of Environmental Quality, the Drainage District, the County Authority and the Oakland County Board of Commissioners.

3. The details of the Project will be set forth in a Development and Reimbursement Agreement that will be negotiated subsequent to the adoption of this resolution, and will be subject to the approval of Oakland County, the County Authority and the City.

4. The City acknowledges and agrees that if a Brownfield plan is approved and a determination is made that bonds will be issued, the City will cooperate with the County and the County Authority with respect to the following matters: a) negotiation of the Development and Reimbursement Agreement; b) the issuance of any necessary permits and approvals (zoning and otherwise); and c) in setting a minimum taxable value for the parcel(s) involved.

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