

HARBOR SHORES

July 27, 2006

Mr. Dwight "Pete" Mitchell
City Manager
City of Benton Harbor
200 East Wall Street
Benton Harbor, MI 49022

RE: Application to MDOT for Harbor Shores Road Improvement Projects

Dear Mr. Mitchell:

On behalf of Harbor Shores Community Redevelopment, Inc. (HSCRI), I want to thank you for the City of Benton Harbor's continued cooperation in the development of the Harbor Shores Project. We truly believe that Harbor Shores will provide economic and community benefits for all of the residents of the Twin Cities area.

We appreciate the city's role as the lead applicant to MDOT's Transportation Economic Development Fund (TEDF) to support the road improvements for West Klock Road, East Klock Road and Graham Avenue. We also understand that this grant program has a matching fund requirement.

By this letter, HSCRI commits to providing the matching funds for the three projects, as outlined below:

- 1.) West Klock Road
Limits: From M-63 to North Shore Drive

Cost Breakdown:		Grant amount requested
MDOT TEDF Grant	\$544,550	Harbor Shores
Matching Funds/Engineering	\$213,848	Harbor Shores
Non Participating	\$881,100	Harbor Shores
Contingency (15%)	<u>\$245,924</u>	Harbor Shores
Total Project	\$1,885,422	

Harbor Shores Total Cost: \$1,340,872

- 2.) East Klock Road
Limits: From North Shore Drive to Paw Paw Avenue

Harbor Shores Community Redevelopment, Inc.
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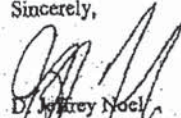
Cost Breakdown:		
MDOT TEDF Grant	\$498,300	Grant amount requested
Matching Funds/Engineering	\$124,595	Harbor Shores
Non Participating	\$105,400	Harbor Shores
Contingency (20%)	\$145,659	Harbor Shores
Total Project	\$873,954	
Harbor Shores Total Cost		\$375,654

3.) Graham Avenue
Limits: Existing Graham Avenue to Riverview Drive

Cost Breakdown:		
MDOT TEDF Grant	\$1,990,800	Grant amount requested
Matching Funds/Engineering	\$498,145	Harbor Shores
Non Participating	\$207,200	Harbor Shores
Contingency (15%)	\$404,421	Harbor Shores
Total Project	\$3,100,566	
Harbor Shores Total Cost		\$1,109,766

Again, we appreciate the City's cooperation in the Harbor Shores Project, and we look forward to our continued partnership on this project.

Sincerely,



D. Jeffrey Noel
President