

River Reach Progress Report – 4th Quarter 2010

Significant progress continues to be made on the River Reach Project. The initial phase of demolition commenced during this quarter, a major project milestone. Phase I of demolition will result in the removal of Plant 1 (roughly 180,000 square feet of building), and help to prepare roughly 15 acres for development. The following is a summary of project activities during the 4th quarter of 2010:

Economic Incentives

- The Act 381 work plan was revised and submitted to the Michigan Department of Natural Resources and Environment (MDNRE) in December of 2010.

Environmental and Demolition

- Obtained the necessary permits for the demolition activities.
- Commenced Asbestos and Lead Based Paint abatement work on Phase I buildings prior to demolition. By the end of quarter, the majority of asbestos abatement work was completed.
- Worked with Consumers Energy to cut power (guide wires) and other disconnect issues (gas lines, etc) to the Phase I portion of the property prior to demolition.
- Commenced demolition of Plant 1 in October of 2010. River Reach Partners participated with the City of Parchment for the Demolition Kick-Off Ceremony, which was held on October 5th, 2010. By the end of December, roughly 50% of the buildings in Phase I had been demolished. Current schedule indicates that majority of the buildings will have been demolished by the end of January 2011, at which time the demolition contractor will mobilize the concrete crusher to crush concrete for filling vaults/basements and grading. Final demobilization scheduled for the end of February 2011 highlighted by the following:
 - A total to 3,850 cubic yards of non-hazardous demolition debris has been removed and disposed of at a construction and demolition (C&D) landfill.
 - Demolition is currently on budget and no change orders requested by contractor.
- Conducted daily air monitoring during demolition per the air monitoring work plan. No exceedances of DNRE-approved exposure criteria were measured.
- Submitted summary of concrete/masonry unit (CMU) testing results for Phase I of the demolition project to MDNRE for review and approval.

Public Relations and Marketing

- Worked with Signature Associates (real estate brokers) to prepare and send out a marketing mailer to area developers and builders.

Builder/Developer Pursuit

- Prepared and submitted a proposal to a local pharmacy looking for a new location.
- Continued dialog with various local developers.

Miscellaneous

- Toured the Phase I buildings prior to demolition with project architect (OCBA) to identify any historic items for salvage.
- Prepared applications for renewal of the various insurance policies. These applications were submitted in December, and coverage bound prior to the end of the year. The policies are as follows:
 - Commercial General Liability (entire property)
 - Commercial Liability and Casualty (to cover damage/replacement cost of the office building)
 - Contractors Pollution Liability