

CONFIDENTIAL DRAFT

In the past months, the Attorney General's Charitable Trust Section has reviewed aspects of the Harbor Shores Golf Course Agreement ("Agreement") relating to Jean Klock Park, which is located on land given to the City of Benton Harbor ("City") in 1917 by J.N. and Carrie Klock. The extensive information provided by the City and Harbor Shores, together with discussions with counsel for these parties as well as with staff members of the Michigan Department of Natural Resources, has been helpful to us in understanding the proposed transaction.

The information presented to us, including summaries of related transactions, plans, agreements, and other legal documents, establishes that substantial efforts have been, and will continue to be, directed toward increasing access to and use of Jean Klock Park by the public. This includes permitting public access to all areas of the park, enhancing accessibility for the disabled to all areas, including the waterfront, and expending surplus revenue from the operation of the planned golf course for maintenance and improvement of the entire park.

In particular, the Charitable Trust Section understands that the City and Harbor Shores planners intend to meet in the near future with the members of the Oversight Panel referred to in the Agreement. In our view, it is important for the Oversight Panel to adopt rules and procedures to ensure that it fulfills its duties that are described in Exhibit A to the Agreement, embodied in the deed of gift from the donors of Jean Klock Park, or mandated by the Department of Natural Resources and U.S. Park Service.

We believe that the Oversight Panel's rules and procedures should include, but should not be limited to, provisions that:

- ensure public access to the golf course through the adoption of reasonable fee structures;
- encourage public use of the park land on which the course is located during the off-season;
- ensure that the park remains open and inviting to all persons and, in specific, enable park access by disabled persons to the greatest extent possible;
- establish a procedure for reviewing maintenance and improvement activity and, if necessary, taking steps to correct any deficiencies;
- facilitate feedback from the public and address the handling of inquiries and complaints regarding park use;
- require open meetings of the Oversight Panel; and
- set forth special procedures, including an opportunity for notice, review and approval by the Charitable Trust Section and public comment, before any change to the terms of the articles, rules, and procedures.

As the process of drafting the Oversight Panel's rules and procedures progresses, we will be happy to address specific questions or offer more detailed comments.

On the basis of our favorable review and consideration of the information we have received (subject to our review and approval of the Oversight Panel's rules and procedures), the Charitable Trust Section believes that the proposed use of a portion of Jean Klock Park as part of a larger public golf course serves a public purpose consistent with the expressed intentions of the donors of Jean Klock Park. We look forward to updates from the City, Harbor Shores, and the Oversight Panel as they finalize the project's planning and financing phase and progress toward construction.