

#### IV STATEMENT – SRC MEETING

May 18, 2009

Over the past few weeks the Speedway Redevelopment Commission has scheduled several Special Sessions which have been cancelled at the last moment. We want to take time to provide you with an explanation as to what has been going on.

Representatives from the Commission and Town have been in negotiations with Resource Real Estate, the current owners of International Village, who purchased the property in November of 2008. The Town of Speedway worked with the previous owners, and now with Resource, in reference to the fire damaged buildings and a repair order following a multiagency visit to the site last June.

Given this most recent transition in ownership, it was a good time to approach Resource in regard to purchasing the property. Since February, we have been discussing purchase options, and over the past few weeks the intensity of the discussions has increased. Several times within the last two weeks we felt that we had an agreement that was acceptable to both parties. Perhaps most significantly, last Wednesday we had an agreement that we believed both parties were prepared to sign. This agreement would have allowed for a 60-day due diligence period and a closing on the property in late July. In anticipation of a signed agreement, we have been proactively developing a Request for Proposal for property development, and engaging in preliminary discussions in regard to the required due diligence activities such as a site survey, an environmental assessment, and appraisals. We had even scheduled a facility for meetings to provide information to tenants.

During our talks with the company, public disclosure was stressed as a requirement to move forward with the deal. Late on Wednesday, representatives from Resource informed us that they wanted us enter in the agreement without public disclosure. We had been clear all along that any agreement would need to be approved at a public meeting – and all forms of agreement we approved would have required public disclosure. All subsequent proposals from Resource were designed either to cause the agreement to be approved secretly or to require us to spend significant amounts of time and money without the benefit of a written contract, in essence, a handshake deal. This "11<sup>th</sup> Hour" condition imposed by Resource was disappointing. Although negotiations have broken down, we are still willing to enter into a lawful, publicly disclosed agreement if Resource changes its mind on the terms of the agreement. As much as the International Village property needs redevelopment, we will only do so in a way that serves the public interest.