

YAHOO! MAIL

Date: Sun, 13 Feb 2005 07:07:06 -0800 (PST)

From: "Tonie Hiley" <tphiley@yahoo.com>

Subject: Re: Status: Buying the Interior

To: Regal220@aol.com

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JUN 7 2005

Missouri Public
Service Commission

Bill,

I think I hear you saying that the offer to Rick is \$500K from the **current** homeowners and an **additional** undetermined amount from the 120 PUD (new homeowners). This sounds very similar to the offer Rick gave to us at the meeting in late Jan that you attended, along with the rest of the advisory committee. That offer was \$975K (his lowest offer) for the entire interior of 93 acres. So would not Rick be expecting an additional \$475K from the 120 PUD people?

I thought that we would be trying to negotiate a total price **lower** than \$975K since our appraisal was for only \$456K for all 93 acres of undeveloped lake property. For example, suppose we increased our appraisal and gave FR some credit for the w/s lines that exist now on the interior. Let's say we gave them \$244K credit and thus offered a total new purchase price of \$700K (\$456K + \$244K). Based on past discussions, the current homeowners would pay 45% of the purchase price and the new homeowners in my example (the 120 PUD as you call it) would pay 55%. Current homeowners would thus pay \$315K, or about \$6300 if there were 50 of us. That number is in the neighborhood of what we thought folks would agree to (i.e. ~\$5000 each). FR would collect the other \$385K from the 120 PUD folks in whatever manner they choose, and give over 55% of the deeds to the HOA in a few increments.

In other words, the \$500K offer sounds high to me, but I could be missing something in your explanation.

We will be leaving AZ at about noon your time today and won't have e-mail until we get back to the lake (around next week-end). If I have not heard from you by noontoday, I will call on your cell, or you can call on mine (573 280 6090)

Talk to You Later,
Phil

Regal220@aol.com wrote:

It is Saturday and I just received your e-mail. Rick said that he would try and get back with me the week of the 14th. The basic proposal was 500k for the interior, to be financed by the new hoa that needs to be formed to purchase. We did discuss the water/sewer (ws) and I told him that had more priority than the purchase of the Int. for me. I believe that we are in the best position to get what we want. However we must be willing to live with whatever the outcome may be. After my meeting last night (5 hours) with Ben and Karen perhaps there will be a for sale sign in my yard upon your return. HA HA

The basic proposal should include the following:

500K purchase price to be financed by hoa with your property tied to the loan

A new hoa set up for the purchase (mailed 3 copies to Stan for his review)

A new hoa set up for the (ws) (mailed copies to Stan for his review)

Folsom Ridge (fr) to release inside to hoa (questions concerning existing w/s and future w/s

All homeowners who have issues with f/r concerning w/s MUST be resolved before any purchase will be made.(Example-Kathy)

Complete inspection of w/s by DNR before completion of sale (Ben said he would handle)

120 PUD project would be able to join our HOA, or HOA set up for the use of the interior and the land for the additional sand filters and wells.

In order for f/r to totally release the land, I suggest that thru the HOA the new owners of the 120 pud must pay 4-5 thousand dollars to the HOA and then WE will funnel the money back to f/r. This way Rick

Exhibit No. 3

Date 6-2-06 Case No. 06-2006-0082

Reporter Sarah P. Kerski

is protected as well as us. Will be an interesting concept but one that I think will work. I really don't care how much money f/r wants in addition to our 500k

Other issues: General Liability, Taxes, What if some HO want to pay up front instead of tying up thier property. Selecting a bank. I have one in mind, but I am sure that there are other HO who may have ideas. I beleive the hardest part will be getting HO to all agree.

The list of HO on the current w/s is 50. Of the 50 only 8 are not on the water. It is very important that a HOA is set up asp to join those 50. Money needs to be going into account in order to take over system in September. I can't believe that any of them would say no.

The investment in thier property is reason enough to want first class w/s. FYI. If we were to put walking trails on Interior it probably would raise the G/L because of the exposure.

I realize I am rambling, however the concept is really very simple because you and the others have done all the work.

As I said earlier, my main concern is the w/s. I think 500k is a gift to Rick and we need to squeeze him for a clean project. This will help f/r to market thier PUD. We also must be ready to accept a NO. If that happens then the only issue is the w/s. Hopefully you will clean this letter up before sending on to who-ever you wanted it to go to. I am not a very good letter writer. See ya, Bill