

**RATIFICATION OF AMENDED AND RESTATED DECLARATION OF
COVENANTS AND CONDITIONS**

1. Jeffery R. Litty and Cathy Litty (hereinafter referred to as "Litty") are the owners of the real property described as follows:

All the following described land lying above contour elevation Six Hundred Sixty-two (662) feet. All of Lots Eighty (80) and Eighty-one (81) in Amended Plat of Big Island Lake Sites, First Addition, a subdivision in Camden County, Missouri, according to the Amended Plat thereof on file and of record in the Office of the Recorder of Deeds, Camden County, Missouri.

2. Bolson Ridge, LLC, a Colorado corporation, certified to do business in Missouri, recorded an Amended and Restated Declaration of Covenants and Conditions (the "Covenants") dated January 10, 2001, and recorded in Camden County, Missouri on January 17, 2001 at Book 507, Page 587.

3. Litty, hereby ratifies such Covenants and agrees that the terms of such Covenants shall bind the real property owned by them described above, and shall inure to the benefit of, and be binding on the undersigned, their heirs, successors and assigns.

"Litty"

Jeffery R. Litty

Cathy Litty

STATE OF _____

ss

COUNTY OF _____

)

The foregoing instrument was acknowledged before me this _____ day of _____, 2001 by Jeffery R. Litty and Cathy Litty.

My commission expires: _____

Witness my hand and official seal.

Notary Public

BRIDGES, CISAR AND MIZELL, L.L.C.

ATTORNEYS AT LAW
2140 BAGNELL DAM BOULEVARD, SUITE 203
LAKE OZARK, MISSOURI 65049
WWW.LAKEOZARKLAW.COM

CJO
Schedule 2
page 1

LEWIS Z. BRIDGES
TIMOTHY R. CISAR
DANIEL C. MIZELL

TELEPHONE: (573) 365-2383
FACSIMILE: (573) 365-2068

December 21, 2001

Charles McElyea
Phillips, McElyea, Walker
& Carpenter, P.C.
190 Court Circle
PO Box 559
Camdenton MO 65020

RE: ***Big Island Property Owners' Association***

Dear Mr. McElyea:

I have been retained by a group of property owners in the Big Island subdivision including Ben Pugh. My clients have all paid in advance for sewage disposal services to their property. Some are connected as Mr. Pugh is, but others have been refused the right to connect.

At the time they made their agreements, neither the developer nor the Association included any requirements that they become members of the Property Owners' Association or subjected them to any of their rules and regulations. Thereafter, they were presented with proposed revisions of restricted covenants and included property and rejected same.

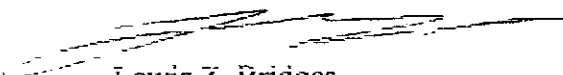
It is my opinion that your clients and the developer or Big Island are contractually obligated to provide sewage disposal services to my clients. The format under which they will be provided is primarily your client's concern. My clients are not willing at this time to become members of your Association but would not be opposed to your client being licensed by the Public Service Commission. Your assertion that the Code of State Regulations makes Mr. Pugh a member upon connection to system mis-states the result. The fact that your client has made these commitments to non-members and has connected some of them is merely proof that the Association is violating DNR rules and the provisions of its license.

December 21, 2001
Page 2 of 2

CJO Schedule 2
page 2

Please advise as to whether you also represent the developer or only the Property Owners' Association in this matter. I will be happy to discuss this matter at your convenience.

Very truly yours,



Lewis Z. Bridges

LZB:elt

CJO Schedule 2
page 3

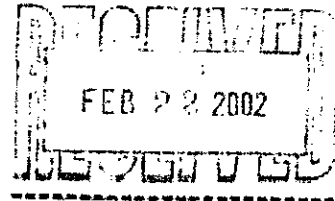
BRIDGES, CISAR AND MIZELL, L.L.C.

AT OFFICES AT LAKE

2140 BASSELL DAM BOULEVARD, SUITE 203

LAKE OZARK, MISSOURI 65049

WWW.LAKEOZARKLLC.COM



DRAFT

LEWIS Z. BRIDGES
TIMOTHY R. CISAR
DANIEL C. MIZELL

TELEPHONE: (573) 365-2383
FACSIMILE: (573) 365-2068

February 21, 2002

Kristine Ricketts
Missouri Department of Natural
Resources
Jefferson City Regional Office
PO Box 176
Jefferson City MO 65102

RE: *Big Island HOA, Inc.*
Permit at Big Island, Camden County, Missouri

Dear Ms. Ricketts:

I have been asked to write to you with regard to the above permit by a group of concerned citizens in Big Island Subdivision.

~~My clients insist, and I think the facts will show, the following:~~

- ~~1. The developers of the subdivision began construction of water and sewer systems prior to obtaining any permit.~~
- ~~2. The Department of Natural Resources allowed late filing.~~
- ~~3. The system was not built as submitted to the Department of Natural Resources.~~
- ~~4. The Department of Natural Resources has now allowed the developer and/or Association to submit "as built" drawings~~
- ~~5. The "as built" drawings do not accurately depict the system.~~
- ~~6. The system has in the past, and continues to leak, causing sewage to encroach on residents' property.~~

CJO Schedule 2
page 4

February 21, 2002
Page 2 of 2

DRAFT

Issues before Commission

7. The Association is operating as an unlicensed public utility by providing sewage services to non-members. In addition, the original developer contracted with individuals and agreed to provide such services without authority to operate a public utility. None of my clients agreed to join the Association and are not bound by any of the terms of the Association's Articles of Incorporation or Revised Restrictions and Bylaws. They were not required to join the Association under the terms of their original agreement with the Developer.
8. Negotiations were conducted between my clients and the Developer concerning revisions to the Restrictions but no agreement was achieved. My clients are concerned with legal and financial liability associated with the system. In addition to the problems noted above, we are aware that several homes were connected to and used the system prior to an operating permit being issued on February 21, 2000. In addition, no functioning homeowners' association existed until July 2000 when the first Board of Directors was elected.
9. The system is overloaded now if we include all persons connected or who have a contractual right to connect.

It is my understanding that the Department of Natural Resources has, as its purpose, the responsibility to enforce the laws and regulations of the state in these matters and to protect the public interest. I do not agree that the public interest is served when developers are given rubber stamp approval of systems constructed in violation of state regulations.

I would appreciate clarification of the Department of Natural Resource's position on the matters included in this letter.

Very truly yours,

Lewis Z. Bridges

LZB:clt

CJO Schedule 2
page 5

BRIDGES, CISAR AND MIZELL, L.L.C.

ATTORNEYS AT LAW
2140 BAGNELL DAM BOULEVARD, SUITE 203
LAKE OZARK, MISSOURI 65049
WWW.LAKEOZARKLAW.COM

LEWIS Z. BRIDGES
TIMOTHY R. CISAR
DANIEL C. MIZELL

TELEPHONE: (573) 365-2383
FACSIMILE: (573) 365-2068

July 18, 2002

Charles McElyea
Phillips, McElyea, Walker
& Carpenter, P.C.
190 Court Circle
PO Box 559
Camdenton MO 65020

RE: *Big Island Property Owners' Association*

Dear Mr. McElyea:

My clients inform me that at a property owner's meeting, your clients have again proposed to return the funds deposited by my clients for sewer service and consider their contracts terminated. This will simply not resolve this problem.

Such action is inconsistent with prior actions of your clients including:

1. Documentation signed at the time the moneys were deposited.
2. Billings to all my clients for "stand by" fees since the deposits were made.
3. Notifications to my clients of members' meetings of the Association.
4. Positions taken both in writing and orally concerning my clients' rights.

I again suggest a meeting, either between the parties, their attorneys or both, to resolve these matters. If not, then I must proceed with litigation to enforce my clients' rights or seek damages for breach of the agreements.

July 18, 2002
Page 2 of 2

CJO Schedule 2
page 6

Please advise as to your clients' positions matter.

Very truly yours,



Lewis Z. Bridges

LZB:clt

BRIDGES, CISAR AND MIZELL, L.L.C.

ATTORNEYS AT LAW
2140 BAGNELL DAM BOULEVARD, SUITE 203
LAKE OZARK, MISSOURI 65049
WWW.LAKEOZARKLAW.COM

LEWIS Z. BRIDGES
TIMOTHY R. CISAR
DANIEL C. MIZELL

TELEPHONE: (573) 365-2383
FACSIMILE: (573) 365-2068

March 19, 2002

Charles McElyea
Phillips, McElyea, Walker
& Carpenter, P.C.
190 Court Circle
PO Box 559
Camdenton MO 65020

RE: *Big Island Property Owners' Association*
Charles and Donna Gannaway

Dear Charles:

Mr. and Mrs. Gannaway have indicated to me that they intend to hook up to the sewer system within the next couple of weeks based upon their prior contractual agreements. They do not intend to be a member of the HOA, although they are willing to pay reasonable charges for the service.

I believe this matter needs to be resolved as quickly as possible. I would propose that an additional class of membership be created which would encompass the owners in the original subdivision who wish to participate in utility services but not other aspects of the homeowners' association's services and activities. In this manner, I think we can all achieve our purposes.

Thank you for your prompt attention to this matter. Please feel free to call me should you have questions.

Very truly yours,



Lewis Z. Bridges

LZB:clt

PHILLIPS, McELYEA, CARPENTER & WELCH, P.C.

ATTORNEYS AT LAW
190 COURT CIRCLE
P.O. BOX 559
CAMDENTON, MISSOURI 65020
(573) 346-7231
FAX (573) 346-4411

CJO schedule 3

Exhibit II

CHARLES E. McELYEA
RONALD K. CARPENTER
DAVID T. WELCH
DEIRDRE O'DONNELL
MICHAEL A. CARTER

LEGAL ASSISTANTS: Sharon Piskorski
Dana Stoufer

HUGH PHILLIPS (1911-1997)

December 26, 2001

Mr. Reggie Golden
Folsom Ridge

Via Fax 303-702-0585

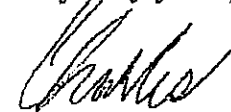
RE: Big Island Property Owners Association

Dear Reggie:

Enclosed you will find a copy of a letter that I received from Lew Bridges on December 21, 2001 wherein he indicates he has been retained by a group of property owners in Big Island Subdivision, including Ben Pugh. I really don't understand what he means by his statement that some of the property owners have been refused the right to connect, nor do I agree with his analysis of the Code of State Regulations. Suffice it to say that a property owners association is one of the exceptions to Missouri Public Service Commission Regulations. If we start furnishing water and sewer service to "non-members" of the Association, then potentially we might run afoul of the Public Service Commission Regulations. This appears to me to be the logic in stating that anyone connected to a sewer system owned by a property owners association is a member of the association.

You will find enclosed a copy of a letter I sent Mr. Bridges in response to his letter. When you have an opportunity, give me a call so we can discuss this further.

Very truly yours,



Charles E. McElyea

CEM:sp
enc.

CJO Schedule 4

Big Island Homeowners Association, Inc.
P. O. Box 54
Longmont, CO 80502

May 2, 2005

Cathy Orlor
3252 Big Island Drive
Roach, MO 65787

~~Intercept~~
Not True

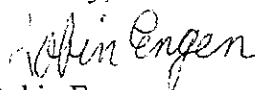
Dear Ms. Orlor,

At the last Homeowners meeting an agreement was reached between you and Folsom Ridge, LLC and the Big Island Homeowners Association, Inc. That agreement was you would pay the appropriate sewer and water fees beginning immediately in exchange for the Big Island Homeowners Association waiving the past due fees and Folsom Ridge, LLC installing a connection point directly in front of your residence. Folsom Ridge, LLC has kept their part of the agreement as the water line connection was installed to your property. At this point no fees have been received by the HOA.

The HOA will not waive any of the past due fees until such time as you begin to pay the appropriate fees going forward. Should you choose not to complete and sustain your part of the agreement, all past due fees will become immediately due and payable. At which point the HOA will take appropriate action. This letter is written with the agreement of the entire HOA Board. Thank you for your immediate attention to this matter.

Enclosed please find a copy of the billing for current fees. We look forward to receiving your payment.

Sincerely,



Robin Engen
Office Manager
Big Island Homeowners Association, Inc.

CJO Schedule 5

August 16, 2005

Extra copy

Big Island Homeowners' Association
P.O. Box 54
Longmont, CO. 80502
Attn: Robin Engen – Office Manager

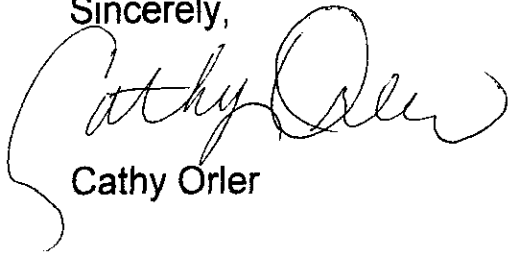
Good Morning, Robin:

I would like to request a copy of the BIHOA members list, and customer list. Please forward a copy(s) to the following address:

Cathy Orlor
3252 Big Island Drive
Roach, MO. 65787

In honoring my request, I would like to thank you in advance, for your time and effort involved.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cathy Orlor". The signature is written in dark ink and is positioned above the printed name "Cathy Orlor".

Cathy Orlor

Big Island Homeowners Association
P. O. Box 54
Longmont, CO 80502

CJO Schedule 6
page 1

Rcvd. 06-30-01

June 27, 2001

Jeff and Cathy Litty
HCR 67, Box 840
Roach, MO 65787

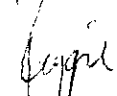
Dear Jeff and Cathy,

I apologize for the mistake on the billing. I got your letter this morning and you are correct. It is ironic that yesterday I was looking at our "master list" and noticed that you were on it as "connected". I quickly made the change because I knew you weren't. Please find enclosed a new invoice for \$5.00 per month. Hopefully, you understand there are always glitches on the first round of billings. The next round should be much smoother.

Again, I would encourage you to join the association. Most of your neighbors have now joined. It clearly gives you a vote in the operation of the system. It is also a way to ensure that your investment is protected so that when you decide to hook up you can. I have also enclosed the by-laws, covenants and restrictions as modified last fall, and a ratification form. Please consider joining our association.

I look forward to seeing you next week.

Sincerely,



R. V. (Reggie) Golden
Big Island Homeowners Association

Big Island Homeowners Association Inc**Invoice**

P. O. Box 536
Roach, MO 65787

Phone # 303-702-0708

Date	Invoice #
9/1/2006	1817

CJO Schedule 6
page 2

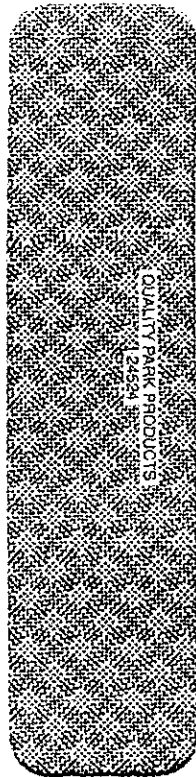
Bill To

Cathy Orlor
3252 Big Island Dr.
Roach, MO 65787

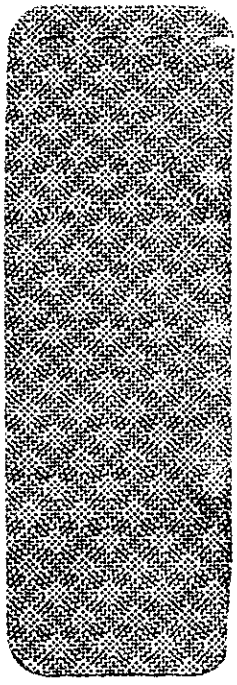
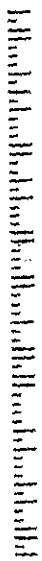
			Terms
			Net 15
Months	Description	Rate	Amount
1	Big Island HOA Sewer Fees NOT Connected Current Month 2006 (80, 81 & 82)	5.00	5.00
1	Big Island HOA Water Fees NOT Connected Current Month 2006 (80, 81 & 82)	5.00	5.00
		Total	\$10.00

CJO schedule
6

page 3



6578777730



31 AUG 2006 PM 1 L

DENVER CO 802



1. We will have a monthly fee for the waste water system ,of \$10.00 per month..This fee will be deposited to the Homeowners interest bearing account..
 - 2, It is anticipated with the number of users to this system, that we will have an excess of funds in the interest bearing escrow account.
 3. The schedule to oversee this system will be on a as needed basis. We have been advised that to oversee this particular system, to clean filters, check equipment and take samples will require 2 to 3 visits a week. Whoever is chosen, is to be state licensed and accountable to the state of Missouri.
The cost to maintain and operate the system will depend entirely on the units and flow to the waste water system.
 4. If a homeowner hooks up to the system , the fee is \$10.00 a month. If they elect to pay their \$4300.00, and a waste water stub is installed at their property, they will not be charged a monthly fee until they hook up.
 - 5.We intend to accommodate each homeowner with the location of the stub out, most convenient to their needs.
 - 6..The funding for the new asphalt road has been funded and is the sole responsibility of the Folsom Ridge LLC. The monies for this project are in escrow at Central bank , Camdenton, Mo.
 - 7.There will be 5 board members which will consist of the 3 developers , one new property owner and one existing property owner.
 - 8.It is your option to hook up to this system. You are under no obligation to do so. If you have any concerns about the developers financial capabilities as stated, feel free to call Jeff Welsh at Central Bank of Camdenton, Mo. Telephone # 573 346 2203 and satisfy yourself as to the LLC's financial capabilities..
 9. This offer to hook up to this system is completely voluntary to any existing homeowners. It is mandatory by the DNR for any new homeowners .
- We hope that this addresses some of your concerns. If not feel free to contact me at 573 346 6158 . FAX same number..

Sincerely, Dave Lees

Big Island Homeowners Association
P. O. Box 536
Roach, MO 65787

*Recd
4/11/00*
CJO Schedule 8
page 1

April 11, 2000

Jeanette Schrader
HCR 67, Box 766
Roach, MO 65787

Re: Big Island Lake Sites

Dear Jeanette:

We are pleased with the progress that we are making on Big Island. The paving of the road and the installation of the water and sewer system have made a difference for the residents. Our water system has been operational since last May and the sewer system is ready to be tapped into. We have just received approval for both the water and sewer from the Department of Natural Resources of Missouri. While we would have preferred a faster response we have had to let the department proceed at their pace.

Now that approval is secured we can proceed with the development of the Big Island water and sewer homeowners association. The covenants for this association are enclosed for your review. We will hold a meeting on Thursday, June 1, 2000 to elect individuals to the board from the island. Furthermore, to proceed, you need to sign the attached Ratification to ensure that water and sewer rights remain with your property in accordance with the Big Island water and sewer association. Please review the legal description of your property to be sure it is in accordance with your records.

After we are in receipt of your signed document, Central Bank will release escrow funds and you will be eligible to tap into the system. If Central Bank does not receive your signed Ratification within 30 days then your escrow money will be refunded to you and you will not be eligible for using the system. Future fees for water and sewer hookup are to be determined by the board of the homeowners association and can be expected to be considerably higher.

Please send the enclosed signature page to Jeff Welsh, c/o Central Bank of Lake of the Ozarks, 140 E. Highway 54, Camdenton, MO 65020. Thank you for your prompt attention to this matter.

Folsom Ridge, LLC

Big Island Homeowners Association
P. O. Box 54
Longmont, CO 80502

CJO Schedule 8
page 2

November 29, 2000

Jeffery & Cathy Litty
HCR 67, Box 840
Roach, MO 65787

Dear Jeffery & Cathy,

Recently we sent a letter to the Homeowners Association Members of Big Island. We will be having a meeting for all members of the Homeowners Association (HOA) on December 29, 2000. We would like to extend another invitation to you to join the HOA thereby making you eligible to attend the meeting. In the interest of all the residents who choose not to be a part of the HOA, we will hold an informational meeting on December 29, 2000 at 1:00 p.m. and would like for you to attend if you choose not to join the HOA.

Since the summer when the HOA was formed, a group of concerned island residents who did not choose to belong to the HOA presented their concerns. While we have worked diligently to accommodate these wishes, we have discovered that we will not have complete consensus on all the issues and feel it is time to bring this to closure. We have addressed all of the concerns raised in our summer meetings. Some of these items include:

- 1) One vote per lot (not allocated by square feet) – drafted in the new covenants.
- 2) No different classes of membership (all get the same vote) – drafted in the new covenants.
- 3) Folsom Ridge, LLC warranting the system until September 1, 2005
- 4) Restricting the boundary of the area the system will serve to only include the Big Island Lake Sites, Big Island Lake Sites 1st Addition, Portage Park Unit 3, Portage Park Unit 1, and all other property on the Island (peninsula) itself.

We have also dug several holes and have verified proper installation of water and sewer lines. In addition, we have either made commitments to or provided the following:

- a) Cleanup of construction areas is nearly complete.
- b) We will replant the construction areas to be completed in the spring when the horticulturist recommends planting.
- c) We have cleared an area for boat trailer storage.
- d) We have built a boat ramp for Island residents' use – one key will be provided to each homeowner.
- e) We will subsidize the water and sewer systems for costs over the monthly assessment until June 30, 2001.

Folsom Ridge, LLC has completed the following items, which have improved the value of all residents' property.

- 1) Sewer System (approved by DNR) – available to the entire Island – gives residents an option to connect when their old out of date sewage treatment methods fail.
- 2) Water System (approved by DNR) – available to the entire Island.
- 3) Paved Road – will be paved all the way around the Island.
- 4) Provided an area for trailer storage to limit visual impacts.
- 5) Helped to clean up the water in the lake. Hooked up at least two systems that were dumping raw sewage into the lake.
- 6) Built a boat ramp for all island residents to use.
- 7) Provided a means to upgrade the phone service on the Island.

We believe it is in the best interest of all Island residents, as well as the HOA, to have everyone belong to the HOA that is hooked on to the system. The HOA will be much stronger if we all are united. We have worked diligently to address the concerns of this group in a reasonable fashion, however, we don't believe that we will reach consensus with all the members of this group as a few have indicated that they would never join the HOA. It is our desire to be good neighbors and friends. Big Island has changed and will continue to change. Folsom Ridge, LLC has and will do its part to help Big Island become one of the lake's most desired communities. In addition to being the developers, all of the members of Folsom Ridge, LLC have residences on the Island.

We want to extend an offer to have you join the HOA. If you're interested in joining or reviewing the documents we sent to the HOA members please give me a call at 303-702-0708. The following documents were sent to the HOA members:

- 1) Notice of Special Meeting of Big Island Homeowners Association.
- 2) Revised Bylaws of Homeowners Association (proposed).
- 3) Revised Covenants and Restrictions (proposed).
- 4) Letter of Commitment to Homeowners Association from Folsom Ridge, LLC.
- 5) Proxy for your vote.

If you would like a copy of the documents prior to the meeting please give me a call and I will mail them to you. The HOA's offer to join will extend for 90 days after the December 29th meeting.

We look forward to seeing you at our meeting on December 29th. If you have any questions in the meantime, please don't hesitate to call.

Sincerely,



R. V. (Reggie) Golden
Manager

Diamond

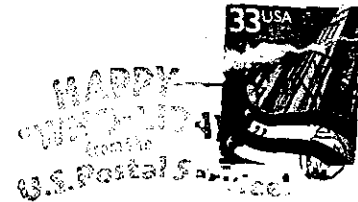


ENTERPRISES, LLP

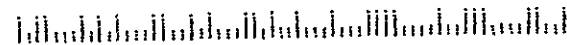
P.O. Box 54
2020 Terry St., Suite A
Longmont, CO 80501

C30 Schedule
80 page 4

Jeffery & Cathy Litty
HCR 67, Box 840
Roach, MO 65787



#3787X3710



PHILLIPS, McELYEA, CARPENTER & WELCH, P.C.

ATTORNEYS AT LAW
190 COURT CIRCLE
Mailing Address: P.O. BOX 559
CAMDENTON, MISSOURI 65820
(573) 346-7231
FAX (573) 346-4411

CJO Schedule 9
page 1

CHARLES E. McELYEA
RONALD K. CARPENTER
DAVID T. WELCH
DEIRDRE O'DONNELL
MICHAEL A. CARTER

LEGAL ASSISTANTS: Sharon Piskorski
Dana Stouffer

HUGH PHILLIPS (1911-1997)

September 19, 2003

Mr. James Schrader
2140 Big Island Drive
Roach, MO 65787

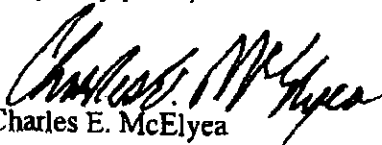
RE: Big Island

Dear Mr. Schrader:

Your letter of August 21, 2003 inquired as to how many lot owners were represented at the July 2002 meeting. I have been advised that there were 77 lots represented at the meeting. The total votes then would have been 77 which was more than half of the total lots.

If you have any further questions, do not hesitate to contact me.

Very truly yours,


Charles E. McElyea

CEM:sp

PHILLIPS, McELYEA, CARPENTER & WELCH, P.C.

ATTORNEYS AT LAW
190 COURT CIRCLE
Mailing Address: P.O. BOX 559
CAMDENTON, MISSOURI 65020
(573) 346-7231
FAX (573) 346-4411

CJO Schedule 9
page 2

CHARLES E. McELYEA
RONALD K. CARPENTER
DAVID T. WELCH
DEIRDRE O'DONNELL
MICHAEL A. CARTER

HUGH PHILLIPS (1911-1997)

LEGAL ASSISTANTS: Sharon Fiskorski
Dana Stoufer

August 26, 2003

Mr. Joseph J. Schrader
526A Midway Drive
Ocala, FL 34472


RE: Big Island Homeowners Association

Dear Mr. Schrader:

By this time you should have received my letter and I again apologize for the delay in responding to your letter.

With reference to the number of "members" that were present at the July, 2002 meeting, I will have to determine that number. As soon as I do, I will let you know.

Very truly yours,


Charles E. McElyea

CEM:sp
cc: Reggie Golden

Big Island Homeowners Association
P. O. Box 54
Longmont, CO 80502

CJO Schedule 10
Extra
Copy

April 25, 2001.

Benjamin & Karen Pugh
HCR 67, Box 726
Roach, MO 65787

Dear Benjamin & Karen,

Enclosed is the sewer and water assessment for the first quarter of 2001. As you know, the assessments were voted on at the December 29, 2000 special meeting of the Homeowners Association. The assessments were set as follows:

Sewer:

• Non-members hooked up	\$15.00
• Non-members not hooked up	\$5.00

Water:

Non-members hooked up	\$10.00
Non-members not hooked up	\$5.00

These rates were agreed to be the rates until the next regular meeting in July when the assessment rates will be voted upon again. If you have any questions, please don't hesitate to call. This assessment is due upon receipt. The next assessment for the second quarter 2001 will be mailed in May.

(Please keep in mind that the water tests are posted when we receive them at the well house on the west road. Please feel free to look at them. Your comments are welcome. Larry Toombs, Don Bracken, Reggie Golden, Rick Rusaw, and David Lee are your current Board of directors.)

Again, if you believe your bill is incorrect, please don't hesitate to call us at (303) 702-0708.

Thank you,


Reggie Golden
Big Island Homeowners Association

From: "Reggie Golden" <reggieg@dgmlc.com>

To: tphiley@yahoo.com, "Stan Zeldin (E-mail)" <szeldin@worldnet.att.net>

Subject: Big Island

Date: Fri, 28 May 2004 16:19:56 -0600

Resident
Board mem.
who is an
attorney

CJO Schedule 11
page 1

Credibility?

Exhibit 6
page 1

Also:
Sub-divided
& replatted
West side/interior

Dear Phil,

I would appreciate your passing on this information to your gr
sending me confirmation.
Thank You

Dear Island Resident,

After much consternation, we have platted the center of Big Island into approximately 223 single family lots. The lots generally meet the requirements that will be imposed with the new planning and zoning ordinance. They are all approximately 10,000 square feet in size.

That

amounts to about 4 lots per acre. In addition we have recorded setbacks

that will allow us to attach the buildings across lot lines together.

This

is often referred to as zero lot lines. While we do not believe this necessarily serves us or you in the best interest, we had no choice but to protect our property rights based on what happened at last week's meeting.

Additionally, we have replatted the west side of the island into 62 lots.

Many of these lots will also be interior lots. There has also been a marina site platted, and about 8 large single family lots remain along the shoreline.

Along the rest of the shoreline the lots have been replatted to match the new

road. There are approximately 32 waterfront lots that also front the new road.

It is truly unfortunate that we were forced to plat the island in this manner. Had we been allowed to execute our plan with the rezoning, much

more of the island would have been preserved as open space for all to enjoy.

While not complete, the plan was to have some duplexes, triplexes and four-plexes mixed in with some single family units that would ultimately

provide much less density than we have now platted. The plan also would

have included some walking/biking trails and other community amenities. Without the rezoning, we are not able to accomplish these goals. While

we want to work with all of our neighbors, we cannot allow a select few to

EXHIBIT
page 2

CJO Schedule 11
page 2

undermine our property rights.

As we have stated many times before, we also intend to connect the water line issue on the island at the direction of DNR. They have mandated the fix and we have agreed to fix it according to an agreement that we both signed. The plans are currently in DNR's offices for approval. When we get a construction permit, within a reasonable time, we are prepared to begin the replacement. Everyone who currently is hooked up or has paid for a tap

will be hooked up to the new line. As construction begins in the next few

weeks, we appreciate your patience and your understanding when we ask that

you not go near the construction site. Construction sites are inherently

dangerous even without curious bystanders who happen to get too close. Please help us by staying clear of the construction site.

There was some discussion that the residents might be interested in purchasing the interior of the island. If that is still the case, we are currently taking offers. We have a couple of interested parties since the property is now platted, but certainly would work with the residents first, if they had an interest.

In addition, we would appreciate your respect of our property rights by not trespassing on our land. The new roads that have been platted and cut, in particular, create new safety hazards that have not previously been exposed.

As such, we have posted "No Trespassing" signs on all of the entrances. We would appreciate your cooperation in this matter. Over the next several months additional roads will be cut in the center of the island to facilitate the platted development.

If you have any questions regarding any of our activities or just want to talk please don't hesitate to call me at (303) 702-0708. I always have an open door.

Sincerely,

R. V. (Reggie) Golden
Folsom Ridge, LLC
Manager

Reggie
and Rick
would not
fix my
tap!
TJG

**"Final Contract
For Concerned
Homeowners Commit"**

November 21, 2000

TO: Big Island Homeowners Association, Inc. and Members of the Association

We, the Managers of Folsom Ridge, LLC, a Colorado limited liability company certified to do business in Missouri ("Folsom") have had discussions and held a series of meetings concerning certain matters related to the water and sewer systems on Big Island and we wish to document the commitments and understandings of Folsom Ridge, LLC.

1. Folsom will remove from the presently recorded Declaration of Covenants and Conditions, the lands owned by Folsom that are not platted and located on the mainland (i.e. not on Big Island or the peninsula). This will be accomplished by recording an Amended and Restated Declaration of Covenants and Conditions.

2. For a period of five (5) years from September 1, 2000, with regard to the Water System and Sewer System presently in existence and installed by Folsom, and such additional systems or additions thereto (expansion) that may be installed in the future by Folsom, Folsom warrants the Water System and Sewer System were installed in accordance with customary installation procedures and to the best of Folsom's knowledge were installed in accordance with applicable laws and regulations. In the event a defect is discovered within the warranty period, for (a) the water and sewer lines installed by Folsom and/or (b) the sand beds installed by Folsom serving the sewer system, Folsom commits to repair defects at its sole cost. Such warranty does not cover defects and damages occasioned due to acts of God and damages caused by circumstances beyond Folsom's control. If any of the materials used in the Water System or Sewer System are found to be defective or if the installation is found to be defective, Folsom shall be entitled to any claim and recovery against the manufacturer concerning the materials used in the Sewer System and Water System, and against the original installer for any defective installation.

3. As set out in the newly Amended and Restated Declaration of Covenants and Conditions, Folsom, or its successor, will pay the entire cost and expense of all expansions to the water and sewer system as needed or required by the Missouri Department of Natural Resources to fully serve the land area described in the Amended and Restated Declaration of Covenants and Conditions beyond the originally planned 80 homes, which is the maximum number of homes that can be served by the existing water system and sewer system.

4. Folsom will subsidize the operational costs of the Association for the first year of operation (i.e. July 1, 2000 to June 30, 2001) if expenses are not covered by the monthly per Lot assessment of \$15.00 for each Lot connected to the Sewer System, the monthly per Lot assessment of \$10.00 for each Lot connected to the Water System, the monthly per Lot assessment of \$5.00 for each sewer tap for which a tap fee has been collected but which is not yet connected to the system, and the monthly per Lot assessment of \$5.00 for each water tap for which a tap fee has been collected but which is not yet connected to the system.

5. Folsom has provided the "as built" plans as the systems exist provided from the contractor hired by Folsom to install the water system and the sewer system. Folsom is in the process of obtaining further information to have inserted into the "as built" plans and will proceed to complete them as soon as possible.

6. As soon as practical, but in no event later than December 31, 2000, Folsom will obtain legal descriptions, at its expense, from a surveyor to accomplish the following:

(a) Folsom will transfer to the Association, title to the real property on which the sand beds are located; and

(b) Folsom will grant easements over the real property owned by Folsom at which the Water System lines and the Sewer System lines are located; and

(c) Folsom will grant an easement over the real property owned by Folsom in order to allow the Association access to the sand beds.

In the future in the event of expansion of the Water System and/or the Sewer System by Folsom, Folsom will grant easements to the Association for any water lines or sewer lines necessary for the expansion of the system(s) and will transfer title to the real property on which any expansion of the sand beds are located, together with access easements as reasonably necessary.

7. Folsom has removed the brush, trees and related debris created by Folsom's installation of the water and sewer systems and will burn the remaining piles of such debris as soon as the fire ban is lifted.

8. Folsom will install hydro mulch grass seed on the area disturbed by the water and sewer lines installed by Folsom either this fall or next spring, at a time determined as being appropriate by a horticulturist, but in any event, no later than April 30, 2001.

We look forward to continuing to work with our neighbors on Big Island.

Very truly yours,

Folsom Ridge, LLC

By 
_____, Manager

NOVEMBER 17, 2000

CJO Schedule 12
page 3

Big Island Homeowners Association

P. O. Box 54

Longmont, CO 80502

November 17, 2000

#9

Dear Homeowners Association Members,

We firmly believe in the importance of, and desire to have a strong Homeowners Association to run the sewer and water system. For this reason, Folsom Ridge, LLC will commit to the items detailed in this letter. All of you already are members of the Homeowners Association and we would invite every homeowner on Big Island to be a member of the Homeowners Association.

We have addressed all of the concerns raised in our summer meetings. Some of these items include:

- 1) One vote per lot (not allocated by square feet) - drafted in the new covenants.
- 2) No different class of members (all get the same vote) - drafted in the new covenants.
- 3) Folsom Ridge, LLC warranting the system until September 1, 2005.
- 4) Restricting the boundary of the area the system will serve to only include the Big Island Lake Sites, Big Island Lake Sites 1st Addition, Portage Park Unit 3, Portage Park Unit 1, and all other property on the Island (peninsula) itself.

We have also dug several holes and have verified proper installation of water and sewer lines. In addition, we have either made commitments to or provided the following:

- a) Cleanup of construction areas is nearly complete.
- b) We will replant the construction areas to be completed in the spring when the horticulturist recommends planting.
- c) We have cleared an area for boat trailer storage.
- d) We have built a boat ramp for Island residents' use -- one key will be provided to each homeowner.
- e) We will subsidize the water and sewer systems for costs over the monthly assessment until June 30, 2001.

Folsom Ridge, LLC has completed the following items, which have improved the value of all residents' property.

- 1) Sewer System -- available to the entire Island -- gives residents an option to connect when their old out of date sewage treatment methods fail.
- 2) Water System -- available to the entire Island.
- 3) Paved Road -- will be paved all the way around the Island.
- 4) Provided an area for trailer storage to limit visual impacts.
- 5) Helped to clean up the water in the lake. Hooked up at least two systems that were dumping raw sewage into the lake.

CJO schedule 12
page 4

- 6) Built a boat ramp for all island residents to use.
- 7) Provide a means to upgrade the phone service on the Island.

Per your authorization at the July 4th meeting we have attempted to reach agreement with the committee of dissenting neighbors on Big Island. While we continue to hope they will join our Homeowners Association, we have not been able to bring this matter to conclusion as new issues arise at each meeting. Folsom Ridge, LLC has made many concessions to the group over the last several months, however, there always seems to be one more new thing on the table. We have reached consensus on many items, therefore, for the sake of the majority of the Island property owners we are prepared to move forward.

We have worked hard to please this committee of neighbors, however, it does not appear that reaching complete consensus with them will happen. At least two of them have indicated that they would not join the association even if we agreed on all of the covenants.

For this reason we have decided to recommend to the Homeowners Association (HOA) the following:

- 1) That the HOA and Folsom Ridge, LLC sign the forthcoming documents, including the new covenants, the Folsom Ridge, LLC letter of commitments, and the change in bylaws.
- 2) That the HOA ratify these documents as amended.
- 3) That the members of the HOA ratify the new documents.
- 4) That the HOA continue to extend our offer to join to non-members that have already paid for a tap for a period of 90 days.

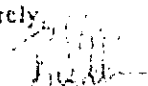
We will call a HOA meeting for December 29, 2000 to discuss these items. This meeting will be conducted based on the existing covenants for the purpose of converting to the new covenants. Only members of the HOA will be invited to this meeting. In an effort of respect, we will have a separate informational meeting for all Big Island residents later the same day.

We hope this letter properly portrays how hard and diligently we have worked toward uniting all residents of Big Island, both old and new. It is truly our desire to be good neighbors and friends. Big Island has changed and will continue to change. Folsom Ridge, LLC has and will do its part to help Big Island become one of the lake's most desired communities. In addition to being the developers, all of the partners of Folsom Ridge, LLC have residences on the Island.

You will receive shortly, under separate cover, copies of the new bylaws, new covenants and a new ratification form for your review. We will be asking you to approve these items at our December meeting. We look forward to seeing you there.

If you have any questions or concerns, please don't hesitate to call me at 303-702-0708.

Sincerely,


R. V. (Reggie) Golden
Manager

Big Island Homeowners Association
P. O. Box 54
Longmont, CO 80502

CJO schedule 12
page 5

July 20, 2000

Jim & Jeanette Schrader
HCR 67, Box 766
Roach, MO 65787

Dear Jim & Jeanette,

I thought it was time to update all of the current members of the Big Island Homeowners Association on my progress with the concerned citizens committee representing approximately 20 non-members.

I think, in all, the discussion has been very positive. The items that they are concerned about have nearly all been addressed. I think we are close to getting consensus on the by-laws and the covenants. Most of the changes will benefit you as well. The major items of discussion have been the following:

- 1) A longer warranty of the system by Folsom Ridge LLC.
- 2) Changing the voting system.
- 3) Changing the monthly assessment to \$15-20 for sewer and setting aside the additional money for Capitol improvements and replacement. This would hopefully eliminate the need for special assessments.
- 4) Adding a monthly assessment of \$5-10 for those people who bought a tap but are not using it. This would be their contribution to the costs of maintaining the homeowners association. The thought here is that there are a certain amount of ongoing costs that pertain to the HOA and the system whether you are hooked on or not. Beyond that there are additional costs incurred to treat sewage if you are connected and therefore the connected people should pay more.
- 5) Restricting the boundary of the HOA to only include the causeway and the island thus eliminating approximately 160 acres that is somewhat separate anyway.
- 6) Setting up a separate rate structure for the water system.
- 7) Folsom will pay for any expansion in the system to serve additional taps for our development.

It is important that the Big Island residents have a strong HOA to run this system. Therefore, it is in all of our best interests to have as many of the island residents as possible become a member. I am very interested in your opinion related to these changes. Please contact me as soon as possible if you have any thoughts or other ideas.

As we move forward, we will ask you all to sign one more set of covenants and vote to change the bylaws one more time. We will not do this until the changes are approved.

I am eager to hear any thoughts you might have regarding these items. Please don't hesitate to call. I can be reached at (303) 702-0708. I look forward to hearing from you.

Sincerely,

R. V. Golden

R. V. (Reggie) Golden
Manager

Rick Rusaw

Rick Rusaw
Manager

David Lees

David Lees
Manager

BIG ISLAND PLANNED UNIT DEVELOPMENT (PUD)
Project Description

Planned Unit Development Concepts

13

The intention is to create two and three unit clusters of single fam that have the overall appearance of one large home. The product homeowners that want smaller, well designed individual homes with maintenance associated with a larger home and lot. The units will allow for main floor living that will accommodate the residents as they retire and their needs change. A common dock area will allow residents to have boats and individual water craft without having to maintain individual docks. A homeowners association will provide yard maintenance, snow removal and maintenance of any common recreation facilities, open space and the community docks. This type of housing and the associated community facilities will add diversity to the existing neighborhood and provide for a housing choice that is not currently available in the neighborhood. In addition, the PUD will include:

- A community recreation area that may include a small restaurant and club house, as well as, the common dock area will provide a gathering place for the residents.
- A trail will provide pedestrian and golf cart type access to the recreation area and community dock limiting the need for the use of cars on the island.
- Shared docks that will limit disturbance to the shoreline.
- Homes designed to fit onto the land to limit the need for excessive grading and site work.
- The use of native and adaptive species for revegetation.
- New homes will be connected to the community water and sanitary sewer system.
- The road system is designed to direct access to the west side of the island, away from the majority of the existing homes.
- The character of the proposed homes will be defined through the use of covenants and design guidelines. Typical elevations of the proposed homes are attached for review.
- Future improvements to the water and sewer system that may include additional sand filtration beds, a water storage tower and a storage building.

PUD Application Materials

1. The Completed PUD application is attached
2. The PUD Development Plan is attached
3. This property is owned by Folsom Ridge LLC, a Colorado Limited Liability Company. A copy of the Title Insurance Policy for the property is attached.

The parcel numbers included in the PUD application include:

13300600000000149000
133006000000003149000
14100100030003001000
14100100040001047000
14100100040003002000
14100100040003001000
14100100040001048000

4. Legal Description

A portion of Sections 1 and Section 6, Township 38 North, Range 17 West lying above contour elevation 662 feet in Camden County Missouri more particularly described as follows:

All that land described as Big Island Central as shown on the recorded plat together with Lots 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20 of Big Island West as shown on the recorded plat.

5. PUD Description

Purpose of the PUD District

The PUD is intended to provide for single family detached and single family attached residential development. The single family attached units will contain one single family home, on one lot with a common wall along the lot line. The units may be grouped together in two and three unit clusters. The underlying zone within the PUD is R-1: Low Density Residential.

The PUD also provides for "such educational, recreational and religious uses as are customarily associated with residential uses to provide the basic elements of a balanced and attractive residential area" (Camden County Missouri Unified Land Use Code). The Principal Permitted Uses, Accessory Uses and Conditional Uses within the PUD will remain consistent with the underlying R-1, Low Density Residential zone as identified in the Camden County Missouri Unified Land Use Code.

Height, Density and Yard Requirements

- All lots within the PUD will be connected to the community water and sanitary sewer system.
- Minimum lot size shall be 3,000 square feet.
- Minimum road frontage - forty (40) feet (as measured at the setback)
- Maximum Height shall be fifty (50) feet above the finished grade.
- The minimum size of any residential structure shall be 1000 square feet.
- Lots and tracts shall not include public road rights of way. However, lots may include private access drives and pedestrian trails defined by access easements.
- Minimum Yard Setback Requirements:

CJO Schedule 14
page 1

ESCROW AGREEMENT

This Agreement is made and entered into this _____ day of _____, 1998, by and between **FOLSOM RIDGE I.L.C.**, a Limited Liability Company, hereinafter called Developer, and **CENTRAL BANK OF LAKE OF THE OZARKS**, a Missouri Banking Corporation, hereinafter referred to as Agent.

WITNESSETH:

WHEREAS, Developer is in the process of developing Portage Park #1, Portage Park #3, Big Island Lakesites and Big Island Lakesites First Addition, all subdivisions in Camden County, Missouri, which are a portion of certain real estate described in that Trustee's Deed recorded in Book 458, at page 845, Deed Records of Camden County, Missouri hereinafter to be known as Phase I as shown on Exhibit A which is attached hereto; and

WHEREAS, Developer intends to place on said real estate a sewer system to which purchasers of real estate in said development and others may connect upon completion of said sewer system; and

WHEREAS, purchasers of real estate from Developer and others who desire to connect to the sewer system will be paying in advance a sum of money as determined by Developer to connect to said sewer system which sum is to be held in Escrow until the sewer system is completed, in place, and operational at which time said sum will be delivered to Developer as set out herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Agent. Central Bank of Lake of the Ozarks hereby agrees to act as Agent for Developer and to handle all money that might be received from purchasers in the development for connection to the sewer system until such time as the system is complete, in place and operational. It is acknowledged by the parties hereto that Agent is acting as a depository only and is not bound by any other agreements or instructions except as specified herein.

2. Payment of Funds. Agent hereby agrees to pay over to Developer all money held by it hereunder at such time as the sewer system is complete, in place and operational. As a condition of payment, Developer shall deliver to Agent a letter from an Engineer licensed in the State of Missouri, stating that the sewer system is complete, in place and operational together with a letter from the State of Missouri that the sewer system meets all requirements of the State of Missouri.

3. Dispute or Disagreement. In the event Agent is notified in writing of any dispute or disagreement arising between Developer and any other person or entity making claim to any of the funds in said account, Agent is authorized to hold all funds in said account until all such difference shall have been resolved and proper written releases and waivers obtained from all persons involved; otherwise, Agent may hold said funds in said account until the rights of all interested parties have been fully and finally adjudicated in a Court of competent jurisdiction. Agent may bring an interpleader action in the Circuit Court of Camden County, Missouri, as Plaintiff against the Developer and all parties claiming an interest to the funds in said account to secure a legal determination to resolve any disputes pertaining to said funds and Agent shall be reimbursed for all its expenses, including attorney fees, for bringing such action from the funds in said account.

4. Indemnification. The payment of funds to Developer as provided in paragraph 2 above shall constitute a complete discharge of Agent's duties hereunder and Developer agrees to indemnify the

Agent and hold it harmless from any loss, damage or expense from any claims, suits or other actions arising after said payment.

5. Phases. This Agreement shall cover Phase I of the total development. Other Phases to the development are contemplated and the parties may at their option extend this Agreement to other Phases as they are developed.

6. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereby have executed this agreement, the day and year first above written.

FOLSOM RIDGE LLC

By: 

Reginald W. Golden


Rick Rusaw


David V. Lees

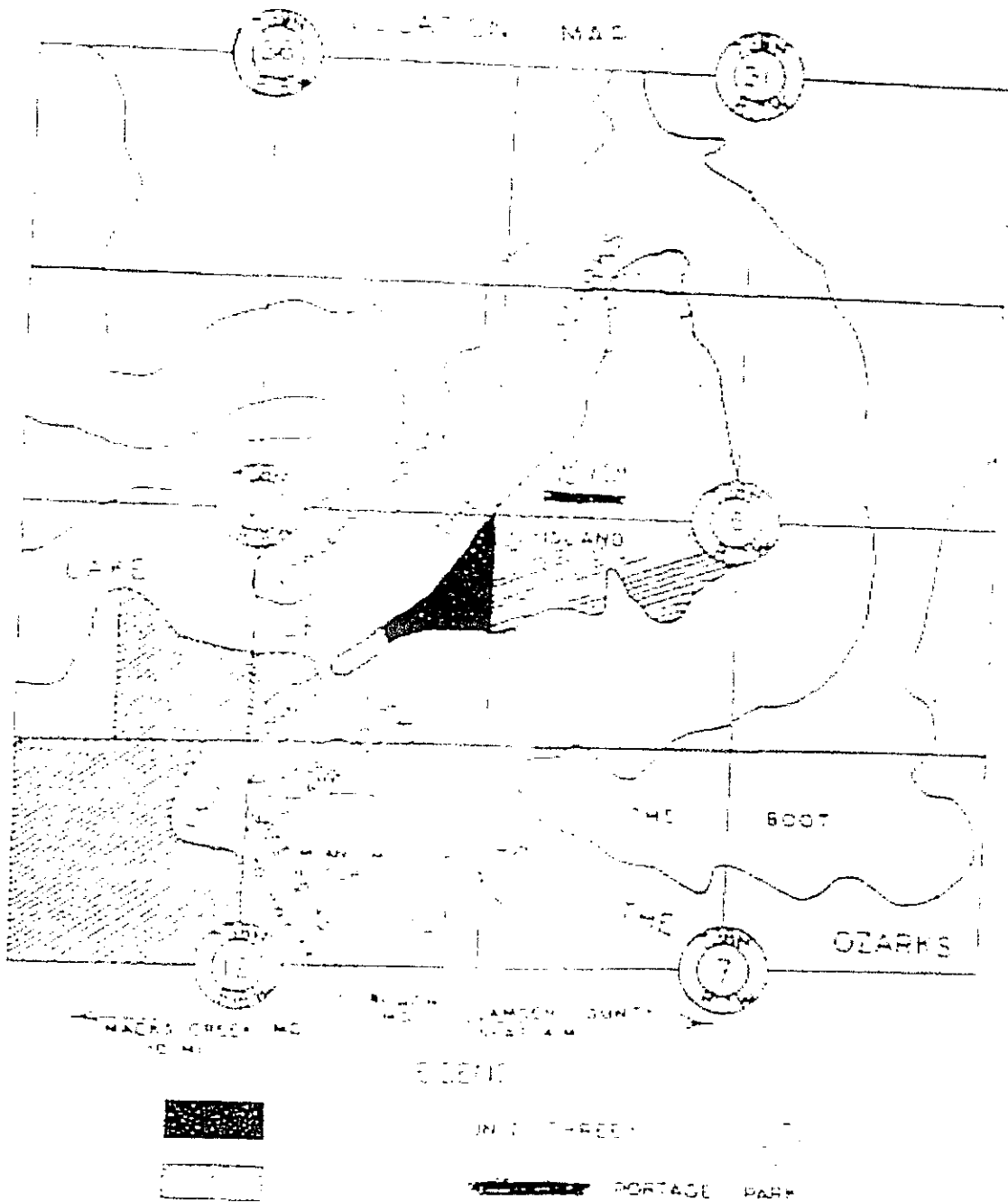
DEVELOPER

Central Bank of Lake of the Ozarks

By: _____

AGENT

Exhibit A



1

STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES

Bob Holden, Governor • Stephen M. Mahood, Director

DIVISION OF ENVIRONMENTAL QUALITY

Jefferson City Regional Office
210 Hoover Road P.O. Box 176 Jefferson City, MO 65102-0176
(573)751-2729
FAX (573)751-0014

November 16, 2001

Folsom Ridge, LLC
ATTN: Mr. Reggie Golden
PO Box 328
Longmont, CO 80501

Per. DNR
36 of 80
existing/
reserved
homeowners

Dear Mr. Golden:

The Department of Natural Resources has become aware of several issues regarding the wastewater collection and treatment system at Big Island. Please address the following concerns:

1. According to the original homeowners association documentation, there were Class A and B members. We have become aware that there are people connected to the wastewater treatment facility who are not members of the homeowners association. In accordance with 10 CSR 20-6.010(3)(B)5(IV), everyone connected to the wastewater treatment system shall be bound by the rules of the association, and thus be a member.
2. The as-built plans revised on October 9, 1999, by Lake Professional Engineering Services, Inc. do not appear to be accurate. For example, the pipe up to the wastewater treatment plant has been relocated. Please submit as-built plans, which show what was actually constructed.
3. According to Construction Permit 26-3390, the wastewater treatment plant expansion shall be complete and operational prior to the construction of the eighty-first house within the Big Island Development. The eighty houses within the Big Island Development will be considered to be the original existing thirty-six houses along with the construction of forty-four new houses or connections. Update on the number of connections and sold lots is requested. **80**

Your response concerning the above should be sent before December 7, 2001. If you have any questions, please contact me at (573) 751-2729.

Sincerely,

JEFFERSON CITY REGIONAL OFFICE

Kristine Ricketts

Kristine Ricketts
Regional Director

KR:kfr

"Connections"
KEY WORD

c: Water Pollution Control Program
Lake Professional Engineering Services
Big Island Homeowners Association

YAHOO! MAIL

CJO Schedule 16
page 1 #1

Print - Close Window

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

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

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

May 11, 2001

Exhibit 4

CJO Schedule 17

Lisa Peterson
Chalfant & Tompkins Abstract & Title Insurance
106 N. Highway 5
P. O. Box 500
Camdenton, MO 65020

Dear Lisa,

I finally got around to pulling together the list of lots that I would like to see the lot ownership on. If you could get the current deeds on these properties it would help me immensely.

I have a map going of all of the current ownership on Big Island and this will allow me to complete that map. It will also give us an idea of who else might be interested in buying a tap.

Portage Park III

Lot 12

Big Island Lake Sites

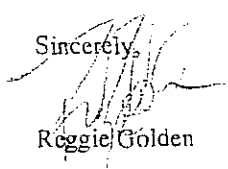
Lot 1	Lot 41 East 1/2
Lot 2	Lot 42
Lot 3	Lot 43
Lot 4 west 1/2	Lot 44
Lot 24	Lot 50
Lot 25	Lot 51
Lot 26	Lot 52
Lot 27	Lot 53
Lot 28	Lot 54
Lot 29	Lot 55

Big Island Lake Sites First Addition

Lot 1	Lot 78
Lot 2	Lot 79
Lot 14	Lot 88
Lot 15	Lot 91
Lot 24	Lot 92
Lot 25	Lot 93
Lot 74	Lot 94
Lot 75	

I would guess that many of these lots are grouped together and owned by an individual.
Please let me know when you can get this done. Thank you.

Sincerely,


Reggie Golden

CJO Schedule 18
page 1

FILED⁴

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

JUN 16 2006

In the Matter of the Application of
Big Island Water & Sewer Company, Inc.
for a Certificate of Convenience and
Necessity authorizing it to construct,
install, own, operate, control, manage,
and maintain a water and sewer system
for the public located in an unincorporated
area in Camden County, Missouri

Missouri Public
Service Commission
Case No. _____

APPLICATION

COMES NOW, Big Island Water & Sewer Company, Inc. (hereinafter "Big Island" or "Applicant"), pursuant to Section 393.170, RSMo 2000 and 4 CSR 240-2.060(4)(A), and for its application states the following to the Missouri Public Service Commission ("Commission"):

1. Applicant is a Missouri corporation duly organized and existing under and by virtue of the laws of the State of Missouri with its principal office and place of business located at 840 Thunder Mountain Drive, Camdenton, Missouri 65020. Pursuant to 4 CSR 240-2.060 (1)(B), Applicant's certificate of good standing from the Missouri Secretary of State's office is attached as Appendix 1.

2. Applicant is a private investor owned commercial corporation and has been recently organized to acquire the necessary regulatory approvals to offer and provide water and sewer service to members of the public residing in a geographical area along the shores of the Big Niangua Arm of the Lake of the Ozarks popularly known as Big Island. Residents on Big Island currently receive service from Big Island Homeowners Water and Sewer Association, Inc., (the Association) an unregulated homeowner's association. Service provided by the Association is the subject matter of several complaints pending before this Commission.¹ This application is

¹ See Orler, v. Folsom Ridge L.L.C. and Big Island Homeowners Water and Sewer Association, Inc., Case No. WC-2006-0082 (consolidated with eight other cases).

being filed as a response to those complaints.

3. Communications respecting this Application should be addressed to:

Michael McDuffy, General Manager
Big Island Water & Sewer Co., Inc.
840 Thunder Mountain Drive
Camdenton, Missouri 65020
Telephone: 573.346.2092

Mark W. Comley
Newman, Comley and Ruth P.C.
601 Monroe St., Suite 301
P.O. Box 537
Jefferson City, MO 65102
573-634-2266 (Telephone)
573-636-3306 (FAX)

Charles E. McElyea
Phillips, McElyea, Carpenter & Welch, PC
85 Court Circle
P.O. Box 559
Camdenton, MO 65020
(573) 346-7231
(573) 346-4411 FAX

Reggie Golden
2602 Clover Basin Drive, Suite B,
P.O. Box 54
Longmont, CO 80502

4. Applicant requests permission, approval and a Certificate of Convenience and Necessity to extend, install, own, acquire, construct, operate, control, manage and maintain a water and sewer system for the public in areas located in an unincorporated area in Camden County, Missouri, as set forth on the map attached to this Application as **Appendix 2-Map**. The proposed area is further described on **Appendix 2-Legal Description** also attached to this Application.

Late
Filing?

A July 1

5. In accordance with 4 CSR 240-2.060(4)(A)(5), Applicant is causing to be prepared a feasibility study for these areas. Completion of the feasibility study is expected in the next fourteen days and will be late filed as **Appendix 3** to this application.

6. There are no municipalities located within the proposed area and no consent from the County of Camden is required.

7. Applicant will assume ownership and control of the systems currently offering and providing service to Big Island residents. The systems are presently owned by Folsom Ridge, L.L.C. (Folsom Ridge) a Colorado limited liability company which acquired the construction and operating permits from the Missouri Department of Natural Resources ("DNR") for these systems. The Association has handled the business of supplying water and sewer service through the systems under arrangement with Folsom Ridge. Applicant, the Association and Folsom Ridge have entered into an asset transfer agreement by which Applicant shall acquire the water and sewer business and all right, title and interest in the wells, pipes, pumps, treatment facilities, real property, interests in easements and related equipment used to provide service. A copy of that agreement is available upon request. The wells, pipes, pumps, treatment facilities, and related equipment meet all requirements of the DNR.

8. Some of the residents receiving service from the Association have paid connection fees in order to connect, or to preserve or protect their right to connect, to the water and sewer system now in place. Those residents will be given credit for payment of the connection fees when each becomes a subscriber to Applicant's regulated service. Applicant will use its best efforts to make the transition of the Association's customers to Applicant's service virtually seamless and transparent to the customers.

9. There are no other public utilities or governmental bodies now rendering water or

CJO Schedule 18
page 4

sewer service within the area proposed to be certificated. Based upon counsel's information and belief, Camden County established a county wide sewer district pursuant to the Revised Statutes of Missouri but the district has not constructed sewer mains or other facilities in the area sought to be certificated. Although it is questionable whether the County Sewer District's consent is required, Applicant has acquired County Commission permission to file the present application. The Camden County Commission, which governs the county sewer district, has no objection to the filing of the application as per correspondence from the County Commission attached hereto as **Appendix 4** and incorporated by reference herein as if fully set forth.

10. The majority of the dwellings in the area requested to be certified are single family homes, duplexes and triplexes. Also, there are areas that are still unimproved or in the earliest of development stages. Water and sewer services provided currently to these areas are unregulated and Commission approval of the certificate of convenience and necessity herein would end disputes related to the lawfulness of that service. Moreover, approval of this application would put in place a central regulated resource from which future residents of the area could acquire adequate and reliable water and sewer service rather than reliance upon individually drilled wells and septic systems. Operation of multiple wells and septic systems may adversely affect the quality of the aquifer which provides drinking water to all residents of the area. Therefore, public need exists for adequate water and sewer services within the area proposed to be served. The public convenience and necessity will be promoted by the granting of the authority herein requested.

11. There are more than ten (10) residents or landowners in the area sought to be certificated. Accordingly, and pursuant to 4 CSR 240-3.305(1)(A)(2) Applicant lists the name and address of each of the following persons residing in the proposed service area:

What is signed
of these to
CJO Schedule 18
page 5

Jeffrey & Stacy Shore
1170 Big Island Dr.
Roach, MO 65787

Fred & Sharon Beman
1353 Big Island Dr.
Roach, MO 65787

Travis & Stephanie Ezard
2458 Big Island Dr.
Roach, MO 65787

Dennis & Sheryl Boos
2974 Big Island Dr.
Roach, MO 65787

Jeff & Pam Holstead
3458 Big Island Drive
Roach, MO 65785

Phillip & Antoinette Hiley
3184 Big Island Dr. NW
Roach, MO 65787

William & Judith Burford
2682 Big Island Dr.
Roach, MO 65787

Stan & Joyce Zeldin
124 Portage Park
Roach, MO 65787

Lawrence & Rita Toombs
1220 Big Island Dr.
Roach, MO 65787

Cheryl Martin
c/o 1262 Big Island Dr.
Roach, MO 65787

12. Applicant has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates in which action, judgment or decision has occurred within three (3) years of the date of this application.

13. Applicant has no annual report or assessment fees which are currently overdue.

WHEREFORE, Applicant requests the Commission grant it permission, approval and a Certificate of Convenience and Necessity authorizing it to install, acquire, build, construct, own, operate, control, manage and maintain a water and sewer system for the public within the area described in Paragraph 4, authorizing Applicant to implement rates and charges for the provision of services consistent with those contained in the feasibility study, and for such other orders as the Commission deems proper under the circumstances.

Big Island Homeowners Association
P. O. Box 54
Longmont, CO 80502

CJO Schedule 18
page 6

September 18, 2001

Received via Certified Mail 9/24/01
Exhibit 3
Johnson Ridge
now trying almost 2 yrs
after the fact if
existing property
owners to pay
for sewer
connections
requirements

Jim & Jeanette Schrader
HCR67, Box 766
Roach, MO 65787

RE: Sewer Connection/Big Island Homeowners Association, Inc. Membership

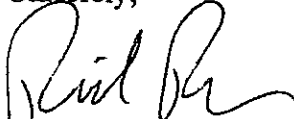
Dear Jim & Jeanette:

Big Island Homeowners Association, Inc. has been advised that you now desire to connect to the sewer system which is in place. As you will recall, you executed an Escrow Agreement and placed \$4,800.00 in escrow with Central Bank of Lake of the Ozarks, which amount was to be used to defray the cost of your connection to the sewer system. It was contemplated that you would become a member of the Property Owners Association. You have refused to join the Association in the past. Since the Association is the owner of the sewer system, according to Missouri Department of Natural Resources regulations, you need to be a member of the Association prior to connecting to the system. As a member of the Association you would have a vote and say on the operation, maintenance and upkeep of the sewer system. *never the HOA wasn't even established*

We would again request that you become a member of the Association and agree to be bound by the By-Laws of the Association. We have attached the necessary documents for you should you agree to join us and look forward to welcoming you as a member. If you refuse to join the Association, then we do not believe it would be proper for you to connect to the system. Therefore, if you refuse to join the Association, we are prepared to refund to you your \$4,800.00 together with interest on that amount and any other fees paid since the day it was paid into escrow. If you would like to have your money refunded, please contact us at 303-702-0708 and we will process a check immediately. Hopefully you will see fit to join the Association and connect to the sewer system.

If you have any questions, do not hesitate to contact our office.

Sincerely,



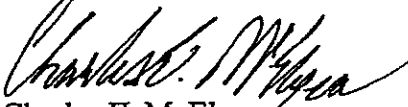
Rick Rusaw
President

this was not part of the original agreement

CJO Schedule 18
page 7

I hope I have adequately answered your questions, but if not, do not hesitate to contact me.

Very truly yours,


Charles E. McElyea

CEM:sp
cc: Big Island Homeowners Association

Exhibit 2
page 2

PHILLIPS, McELYEA, CARPENTER & WELCH, P.C.

ATTORNEYS AT LAW

190 COURT CIRCLE

Mailing Address: P.O. BOX 559
CAMDENTON, MISSOURI 65020

(573) 346-7231

FAX (573) 346-4411

CJO Schedule 18
page 8

CHARLES E. McELYEA
RONALD K. CARPENTER
DAVID T. WELCH
DEIRDRE O'DONNELL
MICHAEL A. CARTER

LEGAL ASSISTANTS: Sharon Piskorski
Dana Stoufer

HUGH PHILLIPS (1911-1997)

June 5, 2003

Exhibit 2
page 1

Mr. Joseph J. Schrader
2150 Big Island Drive
Roach, MO 65787

RE: Big Island Homeowners Association

Dear Mr. Schrader:

This will acknowledge receipt of your letter dated May 16, 2003. In response to your first question concerning assessments, Big Island Homeowners Association is the owner of the water and sewer systems within the Big Island development. This ownership is required by the Department of Natural Resources. Those lot owners who have paid a "tap fee" are considered members of the Association because they have the right to connect to the water and sewer systems owned by the Association. This being the case, it seems only fair that those who have paid the "tap fee" even though not connected at present pay a portion of the assessments to help defray certain costs such as insurance. As you are probably aware, the assessments for those individuals not connected to the system are less than for those individuals who are connected to the system.

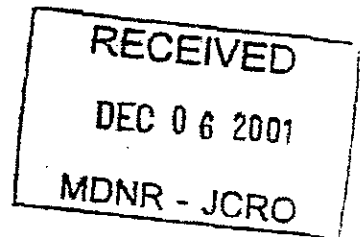
It is the Association's responsibility to see that there is a system available for you when you decide to connect to the system since you have paid the "tap fee".

With reference to the expansion of the water system and/or sewer system, this expansion will be made when it becomes apparent that more homes will be connected to the system than the system can handle and for which the system has the necessary permits. I understand the wording you are referring to, but we do not interpret the wording to mean that the Homeowners Association and/or developer must commence an expansion of the water and sewer system merely because there are 70 homes and/or lots available to connect to the system. I interpret the language to be that when the capacity of the system has been reached, then an expansion will occur. Incidentally, the expansion will be required by DNR when the capacity has been reached.

Folsom Ridge, LLC
2020 Terry St., Suite A
Longmont, CO 80501

November 29, 2001

Exhibit 1
CJO Schedule 18
page 9



Kristine Ricketts
Department of Natural Resources
P. O. Box 176
Jefferson City, MO 65102-0176

Dear Ms. Ricketts,

I am in receipt of your letter dated November 16, 2001. Because I just received it today, I will not be able to respond specifically by December 7th. However, I will research the information you requested and have a formal response by December 20, 2001.

Items of note that I can respond to currently are:

- 1) The homeowners association voted to change their bylaws on December 29, 2000. This change eliminated the two classes of membership. There is currently one homeowner who is connected (the very first to connect) that has refused to join the HOA. Even though the homeowner connected does not consider himself to be a member of the association, we are treating him as a member and he has been so advised. Our attorney is in the process of dealing with this issue. Everyone else who is connected is a member. We will follow up later with the current by-laws.
- 2) I have a current handwritten as-built drawing of the system. Apparently you have an old copy that showed the pipe in the wrong crevice. I will get with Mr. Jackson and have him redraw the as-builts based on the handwritten drawing that I have.
- 3) I can assure you that we have not exceeded the eighty-house limit triggering construction of the next wastewater treatment plant expansion. I will however provide a current count of taps and a current number of lots sold.

For future reference, the system and the ground have been turned over to the Big Island Homeowners Association. The address for Big Island Homeowners Association is P.O. Box 54, Longmont, CO 80502. Folsom Ridge LLC has also moved. Their address is 2020 Terry St., Suite A, Longmont, CO 80501. Also, David Lees is no longer involved as a manager in either organization. Please make the necessary corrections in your database.

If I can be of further assistance, please don't hesitate to call me at (303) 702-0708.

Sincerely,


Reggie Golden
Manager

Big Island Homeowners Association
Annual Meeting May 7, 2005

1. Election of Directors

- Folsom Ridge appointed Stacy Shore, Rick Rusaw, Reggie Golden
- No election of directors is needed, Dennis Boos has one year left on his term and Stan Zeldin has 2 years left on his term.

2. Annual Budget

- The annual budget was distributed with the meeting notice in March. Motion to approve the budget as presented, Larry Tombs, second by Gail Snyder, passed with no dissenting votes or abstentions.
- The Board of Directors will set assessments based on the approved budget. It is anticipated that the annual assessment will remain the same as the last two years.
- There was a discussion regarding the \$7,000 line item in the budget for Folsom Ridge (FR). This is an amount owed to FR for installation of the initial system. This was left in the operating fund to cover expenses until the funds are available to reimburse FR. In addition, new tap fees (currently \$7,500 for sewer and \$3,000 for water) will be passed through the FR to complete reimbursement for the system up to the amount specified in the initial agreement.

3. Other Business

- The developer updated the group on the status of the construction of improvements. The water line installation is complete on the island with all users connected except Gail Snyder. The line that extends across the causeway will be completed soon with hooks up to follow.
- There was a discussion regarding the status of paving and repair to the road. The County is in the process of repairing roads and continuing to patch and repair as necessary. Folsom Ridge is working with the County regarding the schedule for the overlay planned for the road in the island. They are trying to coordinate paving on the east side of the island and patching on the remainder so that the overlay can be put in place after construction of the utilities is complete. The county is planning on adding pavement to widen the causeway.
- There was a discussion regarding the schedule for transferring control of the water and sewer system to the HOA. The initial 5 year warrant on the initial installation of the improvements is up in September 2005. New improvements will be warranted by a standard 1 year construction warrant. In September of 2006 the HOA Board of Directors will be made up of 5 members, elected by the full membership. FR will no longer appoint 3 of the 5 directors.
- There was a discussion regarding trailer parking on the Folsom Ridge property surrounding the treatment plant. Current trailer parking is difficult to access. Trailers will need to be relocated for construction of the new filter bed. Once the construction is complete Folsom will attempt to continue to have a place to park trailers and all homeowners will be encouraged to use the area provided.
- There was a discussion regarding the schedule for construction of the new homes. The foundation for the first model home has been staked and construction will begin soon.

CLO

CJO Schedule 20

COVER LAW OFFICE, LLC

137 WEST FRANKLIN STREET, P.O. BOX 506, CLINTON, MO 64735
PHONE (866) 885-4914 FAX (866) 885-6780

December 7, 2006

Cathy J. Orlor
3252 Big Island Drive
Roach, MO 65787

Via Fax: (573) 317-1490



FAXED
12-7-06

RE: Big Island Water & Sewer Utility Service

Dear Ms. Orlor:

Please allow this to confirm our recent telephone conversations regarding this matter.

As you are aware, I am presently serving as Court-Appointed Receiver for three private water and sewer utility companies.

In the event the Missouri Public Service Commission determines that a Receiver is necessary for the water and sewer utility located on the Big Island development, I would welcome the opportunity to be considered by the Commission for appointment as Receiver.

If you have any questions regarding the above, please feel free to contact me.

Sincerely,

A handwritten signature of Gary V. Cover.

Gary V. Cover
garycover@earthlink.net

GVC/rew

**BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE
OF MISSOURI**

In the Matter of the Application of)
Big Island Water & Sewer)
Company, Inc. for a Certificate)
of Convenience and Necessity) Case No. WA-2006-0480, et al.
authorizing it to construct, own,)
operate, control, manage, and)
maintain a water and sewer)
system for the public located)
in an unincorporated area in)
Camden County, Missouri)

INTERVENOR'S DISCLOSURE TO THE COMMISSION

Comes now, Cathy Orlor, on her own behalf, to disclose to the Commission, the following:

1. On August 18, 2005, Cathy Orlor filed a Formal Complaint with the Missouri Public Service Commission, against Folsom Ridge, LLC., Owning and Controlling the Big Island Homeowners' Association.

The basis of Ms. Orlor's complaint, was that the BIHOA, was not operating as an HOA, but rather an unlicensed public utility, by servicing and billing individuals who were/are not members of the association, and therefore should be subject to regulation by the PSC.

This situation was created when the developer, Folsom Ridge, LLC., actively solicited existing residents in the Big Island community, to purchase water and sewer taps as a means to fund and cash flow the developer's construction and installation

of a central water and sewer utility. The contractual agreements resulting from the sales and purchases of the water and sewer taps between Folsom Ridge, LLC., and existing residents, guaranteed the purchasers a reserved right to connect to the future utility at a time of their choosing; with no fees and/or additional charges associated with connecting to the system, until such time as the individuals became a customer, by connecting to the system, to receive service, and then, being billed/charged for the service(s) received.

The BIHOA, had not yet been created as an active organization, to oversee, operate, and maintain the water and sewer utility, at the time of the contractual agreements. Instead, the utility became operational and began providing service to individuals. The BIHOA, was not organized until approximately 16 months after the utility had actively been providing service to residential users. Therefore, as per the previous contractual agreements made to the existing residents, there was no membership affiliation requirement, as a condition to receive utility service.

Furthermore, in the complaint, Ms. Orler provided documentation to support her claim that the HOA was/is being controlled by the developer, Folsom Ridge, LLC., through a vote that is governed and dictated by the number of property lots owned. Additional documentation to further prove this fact, is provided as Exhibit 1 in this document. Mr. Charles E. McElyea, attorney for Folsom Ridge, LLC., Big Island Water and Sewer Association, Inc., (f.k.a. Big Island Homeowners' Association), and Big Island Water and Sewer Company, Inc., states in his letter to Big Island resident, Mr. Jim Schrader, that 77 lots were represented at the July 2002 HOA meeting.

2. Subsequently, in August and September of 2005, a total of 9, (nine), separate Formal Complaints against Folsom Ridge, LLC., Owning and Controlling the BIHOA, were filed with the Commission. While each complaint was somewhat different, all alleged that F.R. and BIHOA, or some combination of the two, was operating a water and sewer utility that should be subject to regulation by the Commission. These 9, (nine), complaints

were then consolidated into Case No. WC-2006-0082, et al., which remains active within the jurisdiction of the Missouri Public Service Commission. No formal finding of fact in a determination and ruling by the Commission, has been made in this case.

3. The principles of Folsom Ridge, LLC., have now, as a response to those complaints, created another new legal entity, named Big Island Water and Sewer Company, Inc., for the purpose of applying for, and acquiring the necessary regulatory approval from the PSC, to continue providing water and sewer service on Big Island. A part of this application, is the "Agreement For Sale And Transfer Of Water Distribution System and Wastewater System," assets. This application for a Certificate of Convenience and Necessity was filed with the Commission, on June 16, 2006, and created Case No. WA- 2006-0480, et al. Pleadings filed in this case by former Complainants and Intervenor, have raised the issue to the Commission, and questioned the ownership of the said assets of the utility, with respect to the ability to sell, transfer, and/or deed such said assets. Case No. WA-2006-0480, et al. remains active within the jurisdiction of the Missouri Public Service Commission. The application in this case has not been approved, or a certificate granted; however, an "Order Adopting Procedural Schedule And Scheduling A Prehearing Conference," was issued by the Commission on September, 07, 2006.
4. On September 20, 2006, a prehearing conference in Case No. WA-2006-0480, et al. was held. During this prehearing conference, many and various issues relating to both the complaint case, (Case No. WC-2006-0082, et al.), and the application case, Case No. WA-2006-0480, et al.), were discussed – including specifically, the "Application," the "Feasibility Study," and the "Agreement For Sale and Transfer Of Water Distribution System And Wastewater System," assets, related to Case No. WA-2006-0480. There was no disclosure made by any party during this open forum, regarding any proposals, negotiations, conversations, discussions, and/or

meetings whereby the developer, Folsom Ridge, LLC., (Respondent in Case No. WC-2006-0082, et al. and it's principles being the same as Big Island Water and Sewer Company, Inc., Applicant in Case No. WA-2006-0480, et al.), "is open to the following proposal," by Pam Holstead. (Exhibit #2).

It would seem, in my opinion, that the developer, Folsom Ridge, LLC., (with its principles being the same as the BIHOA and the Big Island Water and Sewer Company, Inc.), had to have prior knowledge of this proposal to allow them to be "open to the proposal." However, there have been no formal filings with the Commission regarding this proposal, and the "deeding of the water and sewer system to a customer owned and operated, not for profit Company established under Missouri statute 393" – although, it involves the Big Island utility assets that are already subject to sale and transfer within the jurisdiction of the PSC, Folsom Ridge, LLC., (Rick Rusaw and Reggie Golden), and applicant, Big Island Water and Sewer Company, Inc., (Rick Rusaw and Reggie Golden), BIHOA, (being Owned and Controlled by Folsom Ridge, LLC. – Rick Rusaw and Reggie Golden), Complainants and Intervenor who are present and future utility customers, and the Commission, who currently has jurisdiction over all these matters. Although Ms. Holstead has volunteered to serve as legal liaison for the residents of Big Island, in a self appointed position, with regard to water and sewer issues (Exhibit # 3), in my opinion, it would appear that Ms. Holstead is not familiar with all of the issues of the cases before the Commission, in presenting a "proposed solution" to other residents. However, Ms. Holstead did, have the same opportunity as other residents, to become an active participant in the water and sewer issues on Big Island, by filing a Formal Complaint with the Commission, and/or becoming an intervenor in the application case. Therefore, the water and sewer issues, as outlined in my Formal Complaint, and my pleadings filed with the Commission as a Complainant and Intervenor, are restated with respect to the "proposed solution," of the developer and Ms. Holstead, in the following:

- a. Item # 2, of the developer's and Ms. Holstead's "proposed solution," - is attempting once again, to impose a required

membership to those current and future utility customers, with a prior contractual agreement in which monies were exchanged, to receive utility service, with no membership requirement, as a condition to receive said service.

(Reference Membership –meetings, annual, special – quorum – voting. 393.839. 1. and 393.921.1 (Exhibit # 4).

- b. Item # 4, of the developer's and Ms. Holstead's "proposed solution," - requires that directors of the board, be customers of both the water and sewer system. In theory, this requirement would appear to have merit, and if instituted in a "new" development area, where all utility members were equal utility customers, this claim would be fundamental. However, in practical application of the Big Island community and its current situation, which consists of many existing residents with their own private wells and septic systems, (most of which are not currently receiving both water and sewer utility service), instituting such a policy would be discriminatory among the individual member customers. Membership would be a required condition to receive utility service; yet all members would not be equal in their participation allowed as a member. This is discrimination.
- c. Item # 5, of the developer's and Ms. Holstead's "proposed solution," - further discriminates among customers, by disallowing certain individuals to serve on the board; although as a customer your membership again, is mandatory, and an imposed requirement to be able to receive utility service. This discrimination then results in a board of directors and its "allowable" individuals to "control" the utility, without all members being of equal status to maintain a board position.

- 5. With the "proposed solution" of the developer and Ms. Holstead, the issues of the water and sewer utility on Big Island, would remain unchanged. The "proposed solution" to the issues of the water and sewer utility, by the developer and

Ms. Holstead, changes nothing; except confirm the need for a regulated public utility - operated, maintained, and managed by a certificated company independent of any associations with Folsom Ridge, LLC. or any of its agents or representatives.

- a. Membership in an organization is still being imposed on individuals as a conditional requirement to receive utility service, when previous contractual agreements guaranteed these individuals the right to receive utility service, without this requirement.
- b. Individuals are being discriminated against, within the utility organization, although their membership in this association, is being required and/or imposed.
- c. The utility is being controlled by individuals as a result of a discrimination process; similar to the current situation that exists with the voting of lots.

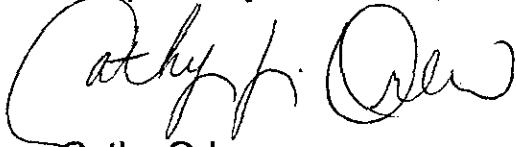
This pleading is being submitted as a full disclosure of information to the Commission, as this information is subject to the jurisdiction of the Commission in the cases involving it.

Wherefore, the relief requested from the Commission remains the same:

1. Reject the "Application" of Big Island Water and Sewer Company, Inc. and deny certification of the same
2. Regulate this utility
3. Appoint an independent company, (with no association or affiliation with Folsom Ridge, LLC. and its principles), as an interim receiver until:
 - a. the development project on Big Island by Folsom Ridge, LLC. and its principles is complete

- a. civil court issues involving Folsom Ridge, LLC. and its principles and the principles of the Big Island Water and Sewer Company, Inc. and the utility on Big Island are resolved
- b. Federal Court Case No. 06-4044-CV-C-WAK, involving Folsom Ridge, LLC. and its principles and the principles of the Big Island Water and Sewer Company, Inc. and the water and sewer lines on the East side of Big Island is disposed

Respectfully submitted,



Cathy Orlor

Cathy J. Orlor

From: "Ben and Karen Pugh" <karben@yhti.net>
To: <Undisclosed-Recipient:;>
Sent: Saturday, December 16, 2006 12:29 AM
Subject: Fw: Regulated VS. 393

CJO Schedule 22
page 1

----- Original Message -----

From:
To:
Sent: Friday, December 15, 2006 9:27 PM
Subject: Re: Regulated VS. 303

Hi

IN THE BIG ISLAND FILES I DID FIND A LETTER FROM PAM HOLSTEAD DATED SEPT 19 2006. IN THE LETTER SHE EXPLAINED PSC AND SHE SAID "NO NEED TO MOVE FORWARD IF THE MAJORITY ARE AGAINST THE PROPOSAL" THERE WERE 13 PROPOSED SOLUTION ON HOW IT WOULD BE.

ON PAGE 3 I HAD A CHOICE OF ; YES, I WOULD LIKE TO SEE THE CENTRAL WATER AND SEWER SYSTEMS DEEDED OVER TO 393 CORPORATIONS WHICH INCLUDE THE PROVISIONS OUTLINED BY MRS HOLSTEAD IN HER LETTER TO ME DATED SEPT. 19,2006

OR

NO, I DO NOT WANT THE CENTRAL WATER AND SEWER SYSTEMS DEEDED OVER TO 393 CORPORATIONS AND WOULD PREFER PSC REGULATION.

LETTER WAS RECEIVED WHEN WE WERE OUT OF TOWN AND I DID NOT RESPOND.

HOWEVER GIVEN THE CHOICES WE WOULD HAVE SAID NO.

THAT'S AS MUCH AS I CAN REMEMBER OR SEE IN THE FILES THAT WE GOT.

LOVE MARY

12/17/2006

Cathy J. Orler

From: "Ben and Karen Pugh" <karben@yhti.net>
To: <Undisclosed-Recipient:>
Sent: Saturday, December 16, 2006 11:13 AM
Subject: Fw: Missouri Public Service Commission

CJO Schedule 22
page 2

----- Original Message -----

From:
To:
Sent: Saturday, December 16, 2006 10:00 AM
Subject: Missouri Public Service Commission

Kindly forward to the above organization.

Gentlemen:

My wife and I are property owners on Big Island. It is important to us that you understand the following facts.

Reference : Pam Holstead

1. She has not contacted us about anything regarding Folsom Ridge utilities.
2. She has not, does not and never will represent us or our interests in any way.
3. We believe that a regulated, certified public utility is the best means of fairly serving all property owners interests in providing water and sewer services.
4. We are completely opposed to a 393 company running the Big Island utilities.

Very truly yours,

Elaine and Bill Foley
2240 Big Island Drive

12/17/2006

Cathy J. Orler

From: "sherrie fields" <sfields@tactician.com>
To: <SPROUT2@aol.com>
Sent: Saturday, December 16, 2006 6:18 PM
Subject: FW: 393 Big Island

CJO Schedule 22
page 3

From: sherrie fields [mailto:sfields@tactician.com]
Sent: Saturday, December 16, 2006 6:13 PM
To: 'dale.johansen@psc.mo.gov'
Subject: 393 Big Island

Mr. Johansen,

I am a resident of Big Island Drive in Roach MO and I am writing today to let you know that we are opposed to the 393 proposed by Pam Holstead. We are not members of the BIHOA and we are not currently connected. We do not even have a tap. However, we believe it is in our best interest, should it be necessary to purchase a tap in the future, that the water and sewer utility be a regulated utility. We own two other homes with regulated utility services and believe strongly in the protections afforded by regulation.

It is also important to note that we did receive a letter from Pam Holstead in fall 2006. However, we do not know this person, so we gave the letter very little time or attention and did not respond in any way, particularly because she did not allow enough time to respond - I believe she wanted a response in just one or two days. We certainly did not respond in favor of her proposal. We are only interested in regulated utilities, like we have at our other two homes.

There are several reasons we support a regulated company. Regulation by the PSC gives us a sense of insurance. PSC regulations must be obeyed and are above and beyond those of just the DNR and state of MO statutes especially when it comes to the total implementation/installation plan and execution, billing rates and management of the utility. We are also concerned with the fact that 5 islanders would be on the board. We do not know these five individuals nor do we have any information about their experience is, if any, with utilities operations and management. Without regulation, anything could happen like it has been happening with the BIHOA for the last several years.

Thank you and please feel free to contact me if any further discussion is needed.

Sherrie Fields
Homeowner
3286 Big Island Drive
(816) 478-9223 Hm
(186) 694-6610 Cell

12/17/2006

Cathy J. Orler

From: "Ben and Karen Pugh" <karben@yhti.net>
To: <Undisclosed-Recipient:>
Sent: Saturday, December 16, 2006 7:07 PM
Subject: Fw: Regulated public Utility or 393 not for profit corp.

CJO Schedule 22
page 4

----- Original Message -----

From:
To:
Sent: Saturday, December 16, 2006 5:00 PM
Subject: Regulated public Utility or 393 Not for Profit corp.

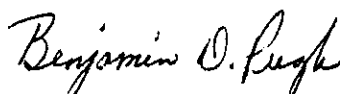
Please forward to the PSC.

Gentlemen:

I am a longtime property owner on Big Island. I understand after attending a meeting with the PSC on December 13, 2006 that Ms. Pam Holstead has told the PSC that the majority of the homeowners want a 393 corporation to operate and control the sewer and water system on Big Island.

1. Ms. Holstead has not contacted me or my wife on this matter.
2. Ms. Holstead certainly does not represent me or my best interest.
3. Ms. Holstead is leading this island into a situation which could end up in litigation.
4. I believe a regulated, certified public utility is the only solutions for Big Island.
5. I am opposed to a 393 not for profit corporation.

Respectfully,



Benjamin D. Pugh
1780 Big Island Drive

12/17/2006

CJO Schedule 22
page 5

PSC:

I was not contacted regarding a 393 water and sewer corporation on Big Island, nor have I been provided with information explaining it. However, after talking with other neighbors, this is not something I am in favor of.

Therefore, Pam Holstead does not represent me, and does not represent me as being in support of this.

Thank you,



Thom Thorpe

CJO Schedule 22
page 6

December 17, 2006

Gentlemen,

After our meeting wednesday, December 13, 2006 I am writing to reinforce my position against a proposed 393 for the alternative of a regulated utility for Big Island.

This weekend I had the opportunity to spend time on Big Island. I was able to talk to various residents and in several conversations it was asked of me how our complaints were going with the PSC. I explained the proposed 393 that Ms. Pam Holstead has initiated as her solution to the Big Island resident problems and complaints with Folsom Ridge. The residents were not aware that Ms. Holstead submitted this plan nor did they know the total understanding of the 393 and it's consequences. I gave a brief explanation of the forced membership and their possible loss of utilities if they refused membership. I also informed them that there were residents and intervenors that were going to pursue litigation if and when a 393 goes in effect. These residents asked that they be notified as to the outcome of the decision of the PSC as soon as it becomes available. They were very concerned about Ms. Holstead's statement that she represented the majority of residents of Big Island because they had not been informed by Ms. Holstead of her proposed 393 not for profit corporation. You will be receiving calls and letters from the concerned residents that are now aware of her action.

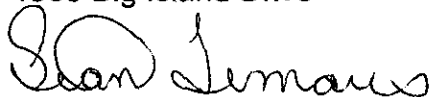
The suggested members of the board of the 393 have little to no experience managing a 393 corporation and should not lead residents astray. The residents should be given a total explanation of a 393 corporation so that everyone has a complete understanding of what is being proposed as to her solution to the problems and issues on Big Island referencing the water and sewer utilities.

I am closing this letter with my complete objection and refusal of the 393 not for profit corporation as proposed.

I am in favor of a certificated, regulated utility company .

Stan Temare

1836 Big Island Drive



CJO Schedule 22
page 7

December 17, 2006

Re: 393 vs. PSC Regulated Utility

I have never been contacted personally (either verbally or in writing) by Pam Holstead or any one else regarding my preference for a 393 vs PSC regulated utility to serve residents on Big Island.

Therefore, until I receive a written copy listing the signed majority of Big Island homeowners in favor of a 393 non profit corporation AND a copy of the actual written 393 proposed document as represented to the PSC by Pam Holstead, I am NOT in favor of relinquishing my property rights to such a group or organization.

I would suggest proper legal documentation as described above must be presented by her to all residents of Big Island for signature and approval. Until such documentation is forthcoming, I am in favor of a PSC Regulated Utility.

Respectfully submitted,



Ben & Lisa Weir
2162 Big Island Drive
Roach, Mo. 65787

12-17-06

Mr. Dale Johansen

December 17, 2006

RE: Big Island Sewer and Water HOA

Dear Mr. Johansen,

It has come to my husband's and my attention that a new plan presented by Pam Holstead and referred to as a 393 is being put before the PSC in an attempt to not have a regulated public utility. As a property owner on Big Island and former board member of the HOA, I would like to clarify where my husband and I stand.

- We have **NOT** been contacted by Pam Holstead regarding a 393.
- Pam Holstead does not represent us or our interest.
- We have not received an explanation, copy of statutes, proposed bylaws or any other information necessary to determine if a 393 is best for Big Island residents.
- We are **OPPOSED** to a 393.
- We are **OPPOSED** to anything but a regulated public utility at this point in time.

We have several concerns about being forced into an organization, especially one with such potential for being sued. I resigned from the HOA board because of the deceptive practices of Folsom Ridge. If we are forced into an organization, after paying thousands of dollars to hook up, what protection is there against litigation and especially the cost of litigation? We are very concerned about the potential for litigation against the 393 or any HOA run/backed by Folsom Ridge.

Folsom Ridge has repeatedly spent thousands of dollars to avoid their responsibilities and make things right on Big Island from their very first mistakes. They have shown a track record for only looking after their personal interests and seeing how much they can get away with. They flaunt the rules and regulations in place and then cry, "Oops, sorry, we made a mistake," when caught or turned in to the legal authorities. They have made it very difficult to trust them or any organization they back. They have repeatedly tried to "front" organizations where they would still maintain control and power. This is why we are against any organization backed by Folsom Ridge.

It is very important for there to be a neutral party such as the PSC to regulate the Big Island utilities. This protects the residents and makes Folsom Ridge responsible for their actions. Please understand that Pam Holstead and the proposed 393 are not supported in any way or representative of my husband or me. Thank you.

Bruce and Valerie Kasten
Lot 87 Big Island

Cathy J. Orlor

From: "Ben and Karen Pugh" <karben@yhti.net>
To: "Cathy Orlor" <corlerwine@yhti.net>
Sent: Tuesday, December 19, 2006 6:20 AM
Subject: Fw: Regulated VS. 393

Ms. Orlor,

Please note the letter from Mr. Nelson in response to my request for comments related to the proposed 393.

— Original Message —

From:
To:
Sent: Monday, December 18, 2006 8:09 PM
Subject: Re: Regulated VS. 303

Ben!

I have not been contacted by Pam about the 393 and I am not in favor of this plan since it places control of the system right where I don't want it to be. The voting procedure for a 393 does not favor the public but favors the developer who will have more votes than the average home owner. In talking with my long time neighbors I find not one of them were contacted by Pam on this subject so where she gets that the majority wants this is beyond me. No! No! I do not favor a 393. Let Folsom Ridge operate the system under the control of the Public Service Commission. Thank you for calling this to my attention!

Art Nelson