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June 12, 2008

Re: Timber Lakes Water Special Service District (the "District") – 2008 Special Assessment. Revision of Cost Estimate and Follow-up Information Meeting with County Council on Tuesday, June 17, 2008 at 7:00 pm at the Senior Citizens Center, 465 East 1200 South, Heber City.

Dear Timber Lakes Lot Owners:

The County Council has reviewed the 2008 Special Assessment proposed by the District following the protest hearing held May 20, 2008. The District and the project Engineer have also received and reviewed bids from the contractors. The following represents the recommendations of the District made at the County Council's work meeting held June 11, 2008:

<u>Description</u>	<u>Initial Estimate</u>	<u>Revised Estimate</u>
Engineering Costs	\$162,680	\$163,000
Pipeline Materials and Construction	\$8,800,900	\$4,930,000
Water Tanks	\$1,732,500	\$1,730,000
Telemetry System	\$951,940	\$250,000
Contingency		\$500,000
Springs Development	<u>\$294,569</u>	<u>(Do with own crew)</u>
Total Construction/Eng.	\$11,942,589	\$7,573,000
Cost of Issuance of Financing	\$300,000	\$300,000
Interest during Construction (revised interest includes one more summer for construction)	\$593,313	\$574,000
Reserve Fund	<u>\$1,427,225</u>	<u>\$940,000</u>
Total Assessment Estimate	\$14,272,217	\$9,387,000
Difference		\$4,885,217
Per Lot Cost Estimate	\$9,310	\$6,400

Further discussion was made regarding lot owners who want to permanently eliminate one or more lots from water hook-ups and aid to lot owners having financial limitations. Before the County Council makes its final decision, a follow-up information meeting with lot owners has been scheduled at the Senior Citizens Center, 465 East 1200 South, Heber City, Utah, Tuesday, June 17, 2008 at 7:00 p.m. All are invited to attend.