

From: Jim Nyhof <Jim@dawsonins.com>  
Sent: wednesday, November 09, 2011 1:07 AM  
To: city of oxbow; [REDACTED COUNCIL MEMBER EMAILS]  
Cc: [REDACTED EMAIL]  
Subject: RE: stock allocation

I have told myself over and over I am not going to email after 11:00 but the Crown Royal wins again and I can't sleep. I am a number guys and like to crunch numbers so here goes.

The golf course has a Robert Trent Jones appraisal of a low number of \$12 million and high number of \$24 million. Replacement value was even higher which we presented to the mitigation committee earlier. If we use the low appraised number of \$12 million and cut that in half to \$6 million for discussion purposes. Even Mickey Mouse should be able to negotiate that, again that does not mean the buyer has \$6 million to pay us but that is not our problem and the state will support that. Currently there are approximately 150 voting shareholders of oxbow cc. If we use the number of 50% of the residents of oxbow are non voting shareholders (total of non members or social only) which I think is high so therefore conservative. A city resolution to require/assess all residents \$3000 annually for their initial stock purchase then ongoing annual dues, it could generate another 50 members, conservatively assuming 100 taxpaying lots. At that point voting stock membership is frozen. Oxbow CC should operate without a loss based on past history even with floods based on this additional revenue. prospective members can join as full or social but they are not entitled to any buyout considerations given to voting shareholders which adds additional revenue to the profitability of the club and ultimate return to the voting shareholder investor. Again conservatively we now have 200 voting shareholders with the addition of 50 new oxbow residents entitled to a share of the mitigation. If we get the \$6 million, half of the low appraisal, less club liabilities of \$600,000, the 200 shareholders split \$5.4 million or \$27,000 each. I would think people would stick around for that. If residents left and took an early buyout, given the tie of stock to each lot, the result is even more for the shareholder/residents that stuck around, and isn't that what we want for our community and school district. If we get the low appraisal of \$12 million that's over \$50,000 for each shareholder.

The annual assessment to members of oxbow cc has not exceeded \$150,000 in past years which is covered by the \$3000 annual property assessment for the 50 new shareholder/full memberships so the club really should operate at a profitable level or breakeven with the additional membership and given expense of potential ongoing annual floods. Add some additional non oxbow members because of the impact of this action and the stock freeze, results in even more revenue that should be generated. Add some mitigation obligations for the project sponsor to the maintenance and operations of the city throughout the buyout period and our concerns of a rental community should diminish.

I really think this is a "win win" opportunity/situation for residents regardless of the outcome of the diversion. I do think it is a unique opportunity for us to consider as we try to position our self for the best potential outcome expecting the worst case and ultimate fate of our community. Best case we all win!!! I encourage concerns as to why this would not be something to consider so we can get all the potential concerns addressed.

If you have not figured it out I absolutely love this community and want to stick around to the bitter end. sorry. Going to bed, might sleep now:)