



October 13, 2008

Britt Wasson
President
Wassco Corporation
515 S. 25th West Ave.
Tulsa, Oklahoma 74127

**Re: Development Discussion
Paradise Bluffs at Grand Lake
R&M No. 08492-00**

Dear Mr. Wasson:

The purpose of this document is to discuss certain aspects of development for the above-referenced project. Upon thorough review of the subdivisions' layout, as well as other relevant information, we have compiled the following comments:

1. SITE UTILITIES:

(a) Water:

- Each Lot in each of the proposed subdivisions will have its own well. The costs associated with each well will be assumed by the respective Builder as each home is constructed.
- Please refer to Attachment #1, "Sales Map". Lots 5A and 5D through 5H of Block 4, Grand Paradise may be developed as condominiums. If these lots are developed as such, then they may share a common well.

(b) Sewer

Lakefront lots were originally recorded under two separate Plats, "Block 4 Grand Paradise" and "Block 1 Paradise Point" (refer to Attachment #1). "Block 4 Grand Paradise" and "Block 1 Paradise Point" comprise the lakefront lots that are proposed as part of the "Paradise Bluffs" development concept. These lots were recorded prior to January 1st of 1974, so the minimum lot size requirements for on-site sewage treatment systems, as outlined in Title 252 Chapter 641 of the Department of Environmental Quality Regulations, do not apply.

- Paradise Bluffs shall consist of approximately 9,400 linear feet of onsite roadway.

4. FENCES & GATES:

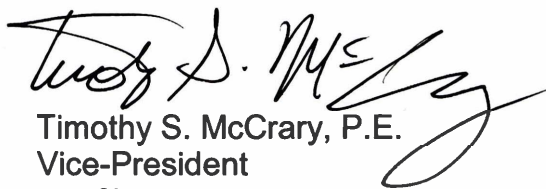
- Paradise Bluffs will have a 6-foot high wrought iron perimeter fence. The fence will extend from the southern boundary of Lot 4C of Block 4 Grand Paradise, around the south side of the development, to the eastern boundary of Lot 39 of Block 1 Paradise Point. The wrought iron fence will be approximately 7,000 feet long. (See Attachment #1)
- Access to the development will be provided at two gated locations. One gate will be placed at the western extent of Grandview Drive. One gate will be located at the entrance to the site from Paradise Boulevard, along the southern boundary.

5. OPINION OF COST:

The anticipated probable cost for the above-mentioned items is \$1,270,000.00. (Refer to Attachment #2, the "Opinion of Probable Cost").

If you have any questions, please call me at (918) 786-6350.

Very truly yours,
ROSE & MCCRARY, PC



Timothy S. McCrary, P.E.
Vice-President

cc: file

Attachment #1: Sales Map for "Paradise Bluffs"

Attachment #2: Opinion of Probable Construction Costs

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- All lots within “Paradise Bluffs” shall discharge to septic systems:
 - Lots 5A and 5D through 5H of Block 4, Grand Paradise, may be developed as condos. If so, they will be served by a septic system to be located in the “Common Area” immediately to the south. The sewer improvements for these Lots are accounted for in the Opinion of Probable Cost, included as Attachment #2.
 - Lots 2 through 9 of Block 1, Paradise Point, are to be developed as single family residences; however, due to the size of the Lots, they will be served by a common septic system to be located to the south and west, in the “Park”. The common lateral field and force main for the above mentioned lots are accounted in the Opinion of Probable Cost. Refer to Attachment #2.
- Costs associated with the installation of individual septic systems will be assumed by the Builder as each respective home is constructed.

(c) Electric:

- Electric service will be provided to the site through a cooperative agreement between the owner and Northeast Oklahoma Electric Coop, Inc. (REC). The owner will pay a deposit to REC to get power to the site. REC will reimburse the client as homes within the development are constructed. REC will reimburse the owner for a specified amount for each home.

2. CLEARING & GRUBBING:

- The costs associated with clearing & grubbing of Paradise Bluffs, which encompasses approximately 115 acres, shall be assumed by the developer.

3. PAVING:

- Onsite roadways associated with this development will be private. Onsite roadways will be accessible solely by way of passage through one of two perimeter gates. Onsite roadways will be privately maintained and are not subject to Ottawa County requirements.
- Typical onsite roadways shall be 22 feet wide and will consist of 3” of asphalt pavement over 3” of crushed stone.