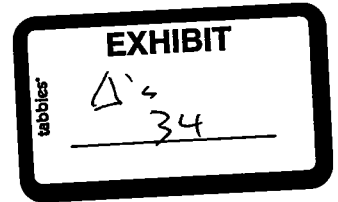


Allen, Richard

From: Don Greenough [donald.greenough@verizon.net]
Sent: Monday, September 11, 2006 9:57 AM
To: Allen, Richard
Subject: Re: LNWS, LLC



Dick:

I'm not shocked by your question because I've heard similar rumors.

I believe that they're a combination of three publicly known facts -- (1) Peter Foote, Jim Foley and Alex Mulholland have been receiving manager's fees that are higher than previously paid to Don Whiston, (2) the Feoffees' statement at the annual meeting that their fees might be higher for the remainder of 2006 until the project was completed but would then be substantially less in the following years, and (3) the estimated O&M for the wastewater system presented to the tenants of \$80,160 (167 x \$480).

The estimated O&M budget for LNWS that I faxed you was \$71,960. The Feoffees intend to collect \$80,160 with the surplus to be used as contingency fund and to establish a reserve fund for the system. Hopefully the budget spreadsheet that I faxed to you was readable and you could see how those funds were allocated and that there is no line item for a \$75,000 salary for Jim Foley ... or anyone else. The line item for Administration and Regulatory Reporting is \$19,000 and this would presumably be for Lombardo Associates or another engineering firm. The other variables were a contingency fund of \$7,500 and a fund for emergency repairs of \$5,000.

Jim Foley has been acting as the ombudsman for the Feoffees during the last couple of months and has been on the site substantially more than the other Feoffees. He's had primary responsibility among the Feoffees for dealing with the project engineer and contractors for the punchlist items and resolving issues with individual tenants about their connections or other problems arising out of the project. His manager's fee will be higher than Alex or Peter during FY2007 because of his additional time and his manager's fee will be adjusted for his additional, documented time at the rate of \$25/hour. The annual distribution from the Feoffees to LNWS for the O&M (\$80,160) will be then be reduced accordingly and the distribution to the schools will not be affected.

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

From: Allen, Richard
To: Don Greenough
Sent: Monday, September 11, 2006 8:54 AM
Subject: RE: LNWS, LLC

Thanks, Don. Apparently there is talk around town that Jim Foley is or will be a paid manager or employee of the LLC. No truth to this in any way? The figure \$75,000 is mentioned. Thanks.

Dick

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