

December 18, 2006

James Folk
10645 Bayshore Lane
Milton WI 53563

Frank Micale
W7889 High Ridge Road
Fort Atkinson WI 53538

Jerry Richardson
807 Harbor Road
Milton WI 53563

RE: In the Matter of the Review of the Water Level Decision for Lake Koshkonong and the Indian Ford Dam on the Rock River in Rock County, Wisconsin
Case No. 3-SC-2003-28-3100LR

Gentlemen:

As you know, our office represents the Rock River-Koshkonong Association, Inc., and Lake Koshkonong Recreation Association, Inc., in connection with the hearing in the above referenced matter. I am directing this letter to you as officers of the respective associations and to confirm the contents of my telephone conversation with Jim Folk this past weekend. Based upon my conversation with Mr. Folk, our office is agreeable to the following:

1. Our office will agree to a 15% reduction on the outstanding receivable in the amount of \$217,310.85 for work performed on behalf of the two associations in connection with this hearing if payment for the reduced amount is received during the first 6 months of 2007;
2. In the event the District chooses to seek an appeal of the hearing examiner's December 1, 2006 decision, it is our understanding that the Wheeler Van Sickle firm will take the lead on the appeal. If the Associations are also joining in the appeal, our office will agree to provide consultation with the Wheeler Van Sickle firm at no charge; and
3. In the event the parties seek an appeal and the appeal is successful, the parties would agree to pay one-half of the 15% reduction on the outstanding bill to our office after the successful appeal.

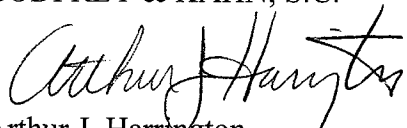
As you know, the two associations must decide whether to file an appeal within thirty (30) days of December 1, 2006. For all practical purposes, it would be important to provide us with direction on this issue by the end of this week.

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Of course, if you have any questions, please feel free to contact me at your convenience.
Thank you.

Very truly yours,

GODFREY & KAHN, S.C.



Arthur J. Harrington

AJH:alm
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