

AIDE-MEMOIRE

Feb 11, 1990

The Goods really want the township to have the former campground parcel to use and keep into perpetuity as a day park.

They have made it as easy as they know how -- short of simply donating the property -- for the township to use (through a dollar-plus-expenses-per year leasing arrangement) or acquire (for the price paid by the Goods) the park.

They have set no time limits on the offer, beyond requiring that the township make a diligent effort to use and acquire the property. Their protection is in the fact of real estate appreciation, which will leave them with a property of enhanced value at some point in the future if for any reason the township fails to buy the property.

The price is set at \$200,000 (plus any expenses, such as taxes and any necessary emergency measures) and will remain at that figure until the township buys or decides not to buy the property.

The Goods are willing to sign a land contract for the property at any time, thus transferring ownership to the township, with the resultant abatement of taxes.

The Goods will require an interest payment on the money they have put up for this project; the money was taken from investments paying about 9% per year, and the Goods will have to be reimbursed for the losses they incur; i.e. the township will owe the Goods interest (or "cost of money") payments of 9% per year on the unpaid balance of the sales price.

The Goods are indifferent whether the township pays these charges monthly or annually.

The Goods are willing that the land contract contain contingency stipulations such that in the event of township default on the land contract, the property ownership will revert to the Goods, while payments already made by the township toward the purchase will be restored to the township, such that neither the Goods nor the township would be damaged by the township's failure to complete the purchase, so long as the reason for that failure is simple lack of funds caused by the failure of the township's fund-raising efforts to acquire funds from: a) governmental and private sources of grants and aid, b) local fund-raising solicitations, c) private donations.

The Goods have not taken a position on the question of reappraising the property with a view toward transferring it at a stated value more closely in line with its current market value, if in fact the stated price of \$200,000 should turn out to be less than the current fair market value. When the property has

been appraised by a certified appraiser, the Goods and the township will consider whether to adjust the stated value of the property.

The possible advantages of such a reappraisal are these:

Assuming a fair market value of \$300,000 and the Goods' willingness to sell to the township for \$200,000, the \$100,000 difference would be accounted a donation to the township by the Goods, with likely tax advantages to them.

Also, at a given level of granting (that is, if the governmental grants that are anticipated represent a given percentage of the cost of the project for which they are intended as has been the past practice), the difference between say 70% of \$200,000 and 70% of \$300,000 is \$70,000. If the township's financial burden could be \$70,000 lighter, it would represent a great comfort to the township. It is even conceivable that the project could come into the township at no net cost -- unlikely, but perhaps worth the inquiry.

NOTES FOLLOWING MEETING WITH BILL GOOD

Purchase was made November 8, 1989. Taxes were paid February 4, 1990, at a yearly rate of 2190.78.

Bill Good intends to rototill the drives and roads to discourage vehicular traffic and parking, but to do no other improvements.

If the appraised value permits a fair evaluation in excess of 200,000, such that the Goods can claim a tax deduction for their donation of the difference between 200,000 and the declared fair market value, they will in turn donate the tax savings toward the Park project.

Bill Good points out that the Stroebel house would make an ideal residence for a park attendant, whose work could be exchanged for rent. Good is willing to make an offer of \$15,000 to the owners for the house and then resell it to the township for the same price, if the township would like to have it.

JGN