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August 14, 2007

SENT VIA FACSIMILE AND U.S. MAIL (909) 336-1016

Arrowhead Woods Architectural Committee, Inc. Attn: Mr. Stan Sievers, President P. O. Box 2026 Lake Arrowhead, CA 92352

Re: Confirming Architectural Control on Arrowhead Lake Association Property

Dear Mr. Sievers:

As you may be aware, this office is corporate counsel for Arrowhead Lake Association ("ALA"). In this regard, we have been asked to follow up on ALA's letter to you dated February 12, 2007 (copy enclosed) to which we are respectfully requesting a response as soon as possible.

Specifically, ALA desires to confirm the custom and practice of over 15 years, to-wit, that ALA, by and through its Shoreline Committee, exercises architectural control over ALA's nonresidential property. ALA recognizes Arrowhead Woods Architectural Committee's ("AWAC") authority and jurisdiction over architectural control on all residential property within Arrowhead Woods and supports AWAC in those endeavors. However, it is an ALA priority to formalize this allocation of responsibility and, as such, has requested our assistance in preparing the documentation related to same.

Please contact me as soon as possible, but no later than September 14, 2007 so I may inform ALA's Board of Directors as to AWAC's decision on this matter. Thereafter, I will either prepare an agreement for AWAC's consideration or, if you do not wish to formalize the arrangement between the respective organizations, I will so advise the ALA Board of Directors of their other options.

Sincerely,

GURALNICK & GILLILAND, LLP

/s/ Wayne Guralnick

Wayne Guralnick

/la
cc: Arrowhead Lake Association, Board of Directors
Enclosures
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