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September 25, 2009

31101-58

CONFIDENTIAL SETTLEMENT COMMUNICATIONS/NOT DISCOVERABLE

VIA E-MAIL AND FED-EX

jwurm@linkline.com

John G. Wurm, Esq.
Law Offices of John G. Wurm
27321 North Bay Road
P.O. Box 1875
Lake Arrowhead CA 92352-1875

Re: Arrowhead Woods Architectural Committee, Inc. v. Mill Pond Partners, L.P. -
San Bernardino County Superior Court Case No. CIVSS 900262;
Final Agreement of Settlement

Dear John:

This will confirm Mill Pond's acceptance of AWAC's settlement demand, outlined in my letter to you dated September 16, 2009, subject to the following:

1. The mutual understanding on Item's 1. and 2. in my letter (the Attachment regarding Roof Pitch and Cooper Accenting) has been accepted by AWAC.
2. AWAC will be paid the settlement sum of \$50,000. Checks for these settlement proceeds have been requested. We hope to have the proceeds by Friday, October 2nd, but it may take longer. AWAC has agreed, however, that Mill Pond may proceed immediately to file the Dismissal and record the Quitclaim Deed discussed below.
3. AWAC will execute a Dismissal with Prejudice as to all parties and all causes of action in the above case. The Dismissal is enclosed.
4. AWAC will have a corporate officer sign, and have notarized, the enclosed Quitclaim Deed. (The form of the Quitclaim Deed is under review by First American and Fidelity, so there may be a few changes, but I expect this to be resolved quickly.)
5. The Dismissal and Quitclaim Deed will be delivered to our offices in San Diego no later than Friday morning, October 2, 2009.

**Request for Taxpayer
 Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

Enter the name on your income tax return
Arrowhead Woods Architectural Committee, Inc
 Business name, if different from above

Check appropriate box: Individual
 Sole proprietor Corporation Partnership Other P _____ Except for backup withholding

Address (number, street, apt. no., care of, and city, state, and ZIP code)
20200 SF Hwy 189 #F290
Lake Arrowhead, CA 92352

Requester's name and address (optional)

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
 | | | | | | | | | |

or
 Employer identification number
3131021084152

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued) to me, and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must check out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here: Signature of U.S. person: **Stacy McKay** Date: **9/28/09**

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. persons. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct for you or you are waiting for a number to be issued.
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
 - A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
 - Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.
- Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.
- The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:
- The U.S. owner of a disregarded entity and not the entity,

October 9, 2009

John G. Wurm, Esq.
27321 North Bay Road
P. O. Box 1875
Lake Arrowhead, CA 92352

Re: Arrowhead Woods v Mill Pond Partners, et al.
San Bernardino Superior Court, Case No. CIVDS900262

Dear Mr. Wurm:

Enclosed you will find First American's settlement check number 10286749 in the amount of \$25,000.00 made payable to Arrowhead Woods Architectural Committee.

If you have any questions, please do not hesitate to contact me at your convenience.

Sincerely,

HALL & BAILEY

By:


John L. Bailey

JLS:kg
Enclosure
cc: Tim Graham
Steve Wall

DO NOT CASH THIS CHECK UNLESS YOU CAN SEE A TIME STAMPAED
HOLD OR TO ORDER TO THE "PAY" AND "PAYEE" FIELDS



FIRST AMERICAN TITLE INSURANCE COMPANY
9000 E Plaza Center Parkway
Scottsdale, AZ 85258

FIRST AMERICAN TRUST FDS
1 FIRST AMERICAN BANK
DANTA, CA 91701

No. 10286749

90-41257222

Date 06-Oct-2009

Twenty Five Thousand Dollars And Zero Cents

Not valid after 180 days

\$ 25,000.00

AMOUNT (USD)

PAY
TO THE
ORDER
OF
ARROWHEAD WOODS ARCHITECTURAL
COMMITTEE INC.


AUTHORIZED SIGNATURE



Fidelity National Title Ins. Co.
 601 Riverside Avenue
 Bldg. 5, 4th Floor
 Jacksonville, FL 32204 (904)357-1358

Harris Trust and Savings Bank
 Roselle, IL
 70-1566719

10170585

	10/1/2009
	***25,000.00

PAY Twenty-Five Thousand and 00/100*****

TO THE ORDER OF ARROWHEAD WOODS ARCHITECTURAL COMMITTEE, INC.

Dail K. Murphy

CHECK IS PRINTED ON SECURITY PAPER WHICH INCLUDES A MICROPRINT BORDER & FLUORESCENT FIBERS

⑆ 10170585⑆ ⑆ 071915580⑆ 04 258 080 ⑆ ⑆ 000250000⑆