

AGREEMENT OF INDEMNITY

This Agreement of Indemnity is entered into by and between ARROWHEAD WOODS ARCHITECTURAL COMMITTEE and ARROWHEAD LAKE ASSOCIATION, a California Non-Profit Corporation.

WHEREAS, Arrowhead Lake Association ("ALA") has agreed to submit and has submitted to ARROWHEAD WOODS ARCHITECTURAL COMMITTEE ("AWAC") an Assignment and Quitclaim of Rights, Powers and Reservations Contained in Declarations of Restrictions in order to confirm the performance by AWAC of its functions as appointing power for Architectural Committees and in connection with the performance of the functions of such committees required under various Declarations of Restrictions for subdivisions located in Arrowhead Woods; and

WHEREAS, in consideration of such document, AWAC is willing to provide ALA with the contractual protection of indemnity provisions protecting ALA in the event of any claims, demands or liabilities arising in connection with such Assignment and Quitclaim;

NOW, THEREFORE, AWAC hereby agrees to hold harmless, indemnify and defend ALA, its corporate affiliates, and their officers, directors, agents and employees of and from any and all claims, demands and/or liabilities arising or which may arise in the future from or related to that transfer of rights, powers and/or reservations under that instrument entitled

Assignment and Quitclaim of Rights, Powers and Reservations Contained in Declarations of Restrictions, executed by ALA on May ____, 1989. In the event of any action or proceeding against ALA, ALA shall have the right of approval of counsel selected to defend ALA in any such action or proceeding, which approval shall not be unreasonably withheld, provided however, that any such representation shall be at the sole cost and expense of AWAC.

This Agreement shall be deemed to have been made in and shall be interpreted according to the laws of the State of California.

The foregoing covenants are hereby agreed to.

ARROWHEAD WOODS ARCHITECTURAL
COMMITTEE

By Judy Ashton
Its President

The foregoing covenants are hereby agreed to and accepted.

ARROWHEAD LAKE ASSOCIATION, a
California Non-Profit Corporation

By [Signature]
Its President