

PARRISH PROPERTIES

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Laurel Residents:

This letter is in response to a letter received 4-7-2008 from your Lot Owner's Association.

It is apparent that instead of our relationship getting better (as I thought it was) it seems to be getting worse.

As in many business relationships that I have been involved with over the years it is always the assumption that the Landlord is making a fortune, whether it's true or not. This seems to be the basis for this letter (although there is only so much money to spend, as with most business, I thought we were doing a pretty good job).

Most of your lower cost items I was not aware of. Julie and I are working on them and most should be completed soon. As for Deed Restrictions I would be willing to discuss all on a one-by-one basis with you as I have with Lake Arrowhead to try to resolve your issues.

In regard to the roads, it is true that we have held off hoping to do the work later on in 2008 because that extra expense would have put us in the red for 2007. Yes! That's right! In the HOLE! Based on our equity in Laurel Estates in 2007 we made a 3½ % return. If we paid ourselves a small wage for the time Linette and I spent working on the property the return would be 0%. I know \$150,000 seems like a lot of money but there are also a lot of bills.

One of the main bills not mentioned in your expense is the cost of our mortgage on the property which was \$57,386 in 2007. During 2007 we also paid \$8,225 in attorney fees for writing the new Amended and Restated Deed Restrictions for Laurel Estates. We paid \$4,340 for resurfacing the shuffle board courts, which we felt we needed to do for you because we did it for Lake Arrowhead. That cost by the way cost an additional \$1,800 because we had to sand blast the court due to a seal coating put on by Laurel residents. Then after patching our garbage compactor for years I was informed that it has to be replaced at a cost of \$20,789 which is on order.

Now I know the sentiments of some of the residents is "Too bad if Parrish Properties does not make anything. WE WANT WHAT WE WANT."

Parrish Properties has tried hard to do what we could with what we have but obviously have fallen short. For this reason, at this time, I would like to start negotiations with the lot owners on the purchase of your common areas. We recently had to refinance our loan and have a recent appraisal on file. Please, let's talk so we can come to a sale ASAP. Until the property is sold we will continue to work toward trying to take care of your list of things to do the best we can.

Sincerely,

John Parrish