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To: ArrowCreek HOA Members
From: ArrowCreek HOA Board of Directors
Date: July 11, 2008
Re: **Updates 1) Southwest Pointe Legal Suite; 2) Club Corp Update**

SOUTHWEST POINTE LEGAL SUIT

On Tuesday July 8th the Board attended a mediation hearing involving the Reserve fund lawsuit. This meeting began at 9:30 am and concluded around 4pm.

The four HOA board members were in attendance along with the attorney representing the HOA. The attorney for the defendant was there, along with the defendant's local representative. We anticipated their decision maker would be there, but he was not available except by phone. This slowed the process. There was some limited progress made on Tuesday and additional conversations were conducted today. More discussions are planned and while progress is slow we are hopeful that a reasonable outcome can be achieved through continued discussion. We will keep you updated on any developments.

CLUB CORP UPDATE

In light of Club Corp's Thursday announcement to discontinue discussions with AGH we felt the following information would be helpful.

There are several key issues that have been discussed over the last few weeks in a variety of forms and communications. We wanted to summarize them in one document. Following Club Corp's approach to the HOA, the board sought the advice of three law firms. In seeking their advice we referred them to NRS-116 and provided them with a copy of our CC&R's and bylaws and the preliminary draft proposal we had received from Club Corp. Here are several of the key issues we asked for their law firm's legal opinions on, along with the resulting legal opinions that were provided to us.

- Board Member recusal - Three of three attorneys we spoke with recommended the Board recuse itself.
- Homeowner Vote - Three of three attorneys recommended having the homeowners vote on this matter.
- Vote count- Two out of three attorneys recommended the "super majority" of property owner's method.
- Sale of the golf course and its potential impact on property values - Each attorney we spoke with regarding this issue said it could not be part of the criteria considered by the HOA board for signing a contract for the lease of HOA facilities and the contract needed to stand on own merits. However, NO contract was EVER received by the HOA that could have been reviewed or presented to the members for a vote.

ArrowCreek HOA
Updates: Southwest Pointe Legal & Club Corp
July 11, 2008

As you recall, in Rich Kenny's (HOA Advisory Committee) previous communications, on June 24, 2008 Club Corp broke off negotiations regarding the Resident's Center because they felt having two major negotiations going on at the same time was risky and they wanted to focus on the closing the purchase of the golf club. They made this decision despite the HOA Board's request to extend the deadline for negotiations to August 29, 2008 to allow more time for the parties to have the time to handle a matter of this magnitude in a responsible fashion.

In his recent letter to the ArrowCreek Property Owners, Ken Kasten reiterated Club Corp's intention to purchase ArrowCreek Country Club and "focus on the transition of the ownership of the club and establishing our company (Club Corp) as a contributive and trusted citizen of the community".

The HOA remains open to talking with Club Corp should they change their minds regarding the purchase of the golf club.

Sincerely,

The ArrowCreek HOA Board of Directors