



Professionally Managed By:

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July 22, 2008

Re: Board Update

Dear ArrowCreek Homeowner

The board very much regrets some of the misunderstanding and misinformation that exists in our community and wants to do its best to help clarify what's underway.

There are a number of efforts in place for the remainder of the year that focus on many areas that are important to the entire community. This includes but is not limited to the following:

- Reserve Fund
- Expense Control
- Operational Review including all contracts
- ADRC
- Safety
- Communications

There are many volunteers within our community we are depending on to help us rationalize how we can be even more effective in addressing these areas.

We have also enclosed some additional correspondence between the board and Club Corp/KSL that we felt would be helpful in terms of providing additional clarification around Club Corp/KSL's decision to not purchase the Golf Club.

We look forward to seeing you at the upcoming HOA meeting on July 29 at 6:30 PM.

Sincerely

ACHOA Board of Directors

ArrowCreek HOA
Board Update
July 22, 2008

CORRESPONDENCE BETWEEN THE ARROWCREEK BOARD AND CLUB CORP/KSL:

From: john demgen
Sent: Friday, July 18, 2008 6:55 AM
To: Ken.Kasten
Subject: recent conversation

Dear Ken

I appreciated our conversation yesterday regarding the discussions that occurred between Club Corp and the Homeowners Association. You mentioned that you felt good progress was being made between Club Corp and the designated HOA representatives relative to achieving a proposal that could have been sent to the homeowners.

I also appreciated your assurance that the decision by Club Corp to not go forward with the purchase of the Golf Club had nothing whatsoever to do with the Arrowcreek HOA. You stated that the decision to not go forward with the purchase of the Golf Club was based solely on concerns Club Corp/KSL had with a number of the provisions contained in the Equity Golf Member Conversion Plan contract agreement and that is what led to the negotiations ending.

I look forward to staying in touch and wish you the very best.

Sincerely

John D

-----Original Message-----

From: Ken Kasten
Sent: Sunday, July 20, 2008 9:22 AM
To: john demgen
Subject: Re: recent conversation

John

There were/are other issues regarding our decision to not proceed with the TerraBrook/Equity Member deal but your statement is generally correct. I enjoyed working with you and the negotiating committee and am hopeful that there will be a positive outcome for the community and the club. All the best to you and your wife.

Ken Kasten
Senior Vice President, New Business
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