

**STROMBOTNE LAW FIRM**

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December 19, 2008

Via e-mail and U.S. Mail

Matthew Hurley  
P.O. Box 3288  
Clovis, CA 93613-3288

Re: Los Gatos Real LLC drainage structure on Brush Road

Dear Matthew:

We last spoke regarding the problem with the failing drainage structure on Brush Road in our telephone conversation on September 30, 2008. It was my understanding from that conversation that you would consult with your client and advise if he was willing to mediate to resolve the issue. I did not hear back from you. Since then, I have attempted to reach you by telephone several times and by email, but still no response from you.

The June 2008 Settlement Agreement with the State of California is in danger of falling through because your client has refused to sign. If the \$42,000 settlement payment from the State is lost it is not likely to return because of the State's severe budget crisis.

I renew our request that your client sign the Settlement Agreement. If not, I repeat my request that your client agree to mediate with the Brush Road Corporation.

Please advise without further delay.

Sincerely,

Mark L. Strombotne

cc: Client