

September 6, 2007

Robert Hatch
5064 Avenida del Sol
Laguna Woods, CA 92637

Dear Bob,

You requested an opportunity in early August to meet with us. We complied.

You represented yourself as the person who had worked with Milt Johns in finalizing the Management Agreement, and as the person with the power and authority to alter that agreement. We did not question your assertion of dominance and influence, or your integrity.

You came to us with an offer to alter the Management Agreement and we believed you came in good faith. We did not challenge your authority nor question your sincerity in implementing changes to the agreement.

You asked that we submit a list of changes we would like made on the Management Agreement and we complied in our letter to you dated August 11.

We are still waiting for direction on how to proceed with these changes to the Management Agreement, and to the selection of a qualified expert to conduct a forensic audit. Would you be good enough to advise us of the status of these issues.

Very truly yours,



Pamela and Connie Grundke

cc: Directors, United, Third, and GRF