

# Johnson Development Company Georgia, LLC

Lake Arrowhead Community Update

April 4, 2007

By Tommy Elsberry

We are pleased to announce that HMS Golf has been retained and has assumed day to day management of the amenities, common areas, infrastructure, facilities and administration at Lake Arrowhead. You will soon be receiving by mail from HMS a communication including a directory of phone numbers and e-mail addresses so that questions may be directed efficiently to the appropriate party. You may have noticed several new fitness, golf and tennis programs planned by HMS. I know they look forward to your participation in these activities and developing others of interest to the members.

Development work on the golf course and first two residential neighborhoods is proceeding on schedule with the golf course construction on track to be 100% complete late this year and the first home sites ready for builders to start new homes in late summer. Builder interest has been strong and has resulted in many commitments in the new neighborhoods. The new clubhouse is targeted to start construction in late May and open in early 2008. The new swim amenity and recreation park will be under construction by late summer and open for summer of next year.

We are working closely with Cherokee County on a proposed new fire station location which will be located less than a quarter mile north of the current Station 27 on Lake Arrowhead Drive. Engineering, facility analysis, feasibility, design and construction schedules will be coordinated with Cherokee County and, in the interim, we will accommodate the LAVFD in the golf maintenance compound with the consultation of the Cherokee County Office of Fire Emergency Services.

During the second quarter of the year we will be focusing on enhancing security policies and procedures at the gatehouses in response to many concerns. We will also be addressing diligently covenant enforcement, including real estate signs. We are in the design process with new street and directional signage for the community which will be implemented this summer.

We will be opening a temporary sales center in early June from which we will market Lake Arrowhead until the permanent real estate center is built and open next year. We will operate our new home sales and a general brokerage resale operation from this temporary office which will be located on the west side of the dam near the spillway. Our major media launch will be in the early fall to coincide with home construction starts in the new neighborhoods.

We continue to look forward to working with you to enhance your community!

