ROBERT J. BEZEMEK PATRICIA LIM

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OF COUNSEL MARTIN J. FASSLER

August 21, 2006

Rene Rodriguez 4674 Via Del Rancho Newbury Park, CA 91320

Gary Johnson 3421 Rio Hato Court Camarillo, CA 93010

Re: District's Denial of Government Claim

Dear Rene and Gary,

Enclosed to each of you is a copy of the District's denial of the "Claim" we filed earlier this summer. It is from Keenan and Associates, apparently acting on behalf of the District. As it states, we have a maximum of six months in which to file a law suit against the District about these issues, if that is the route we are to take.

This was not unexpected, and it does not mean the District has decided against settling - it is just a necessary formal step.

Josh Morrison, the lawyer for the District, had asked for an extension of time in which to respond, and I had agreed to extend the time until late September, but here it is. So either Morrison and Keenan were not communicating well, or the District changed its mind.

Martin Fassler