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8/31/06

INLAND COMMUNITIES CORP.

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August 29, 2006

Mr. Rob McKenzie, President
Crestline Soaring Society, Inc.
P.O.Box 9052
San Bernardino, CA 92472-9052

Subject: Paradise Hills; Inland Communities Corp.

Rob:

I was very disappointed with the tone of your recent e-mails, particularly that of August 23rd. In the spirit of continuing our cooperation and coordination with you, and after I tried to communicate with you the project status in a gesture of keeping you informed, I was truly taken back by your "veiled threats" to use the public comment period to protest the Paradise Hills project.

I must remind you that Inland Communities Corp has made every effort including numerous compromises to its land plan in order to work with you and your colleagues in addressing your concerns up front. We had revised our land plan repeatedly to accommodate your flight landing path and cleared approximately 2.5 acres to make sure that the area you requested is kept clear from any housing units or other obstruction. As you may well know, this 2.5 acres area is a prime real estate location that could have resulted in the addition of at least 8 to 9 additional homes.

Inland Communities has also agreed to, out of its good intention and neighborly spirit, provide you with stub-outs for water and sewer as you requested in addition to granting you an easement to use a portion of our land for training your entry level pilots.

As I explained to you in our phone conversation that the City is asking us to provide more open space and to pull the development away from the canyon and hillside areas in the middle of the project in order to save the hillside and to provide additional protection to environmentally sensitive areas. I had also stated in our conversation that when we redesign the land plan we will continue to honor and respect the clear zone limits at the northwesterly corner of our development that we have both agreed to, as evidenced in your support letter of June 13, 2006 (Copy is attached).

As we later explained to you in response to your threatening e-mails reflecting your rather flip position towards the project, Inland Communities can not allow you to land plan and design our project. It is what we do best with the help of our most competent and capable design team members. We will design our land plan as how it best address all the same issues and concerns we previously discussed and agreed to, including the commitment we had previously made to providing you with a clear landing zone. As we indicated, we will provide you with a copy of our revised preliminary land plan once it is completed.