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Mr. Tony Salazar  
State of California  
Department of Justice  
1300 I St.  
Sacramento, CA 94203-4470

May 27, 2003

Dear Mr. Salazar:

Thank you for your letter of April 25, 2003. Enclosed are some of the items you requested, plus a bank statement showing the account balance for the Art Beal Foundation.

At this juncture, I would have to characterize the board of the Art Beal Foundation as exhausted. We spent nearly 30 years attempting to preserve a folk art environment in Cambria Pines called "Nitt Witt Ridge," State Registered Landmark, # 939.

The Art Beal Foundation was formed to buy back the property for Mr. Arthur Harold Beal in 1975. Mr. Beal had deeded away the property a few years earlier. Over the next twenty year, various boards struggled to preserve and stabilize his eclectic home.

During the mid-1990's we were behind on property taxes and other debts. During this time, a few board members donated much of their time and their own money in attempts to maintain the property. I sold the water meter in 1997 to pay taxes and debts, and began negotiating with San Luis Obispo County to take the property as a gift. We also appealed to the local community for assistance. Our objective was to develop a community park from the land. When these efforts fell through, it was decided by a frustrated board to sell the property and use the money to first develop a historical archive and donate the rest.

The property was sold in 1999. The archive work is nearly complete. Some proceeds have been donated to other local charities and a list has been developed to disperse remaining funds.

We recognize that we have not done a good job of reporting. It is the desire of the board to dissolve the foundation once the State of California and Internal Revenue Service requirements are met. I will continue to work with you until we are up to date with our reporting.

Thank you for your assistance.

Sincerely,