

ATTACHMENT I.2
BLUFF AND STABILIZATION EVALUATION



CLEARY CONSULTANTS, INC.
Geotechnical Engineers and Geologists

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August 12, 2008
Project No. 1245.2
Ser. 2277

Sea Ranch Inn, LLC
c/o Peter M. Heinemann
Passport Resorts LLC
921 Front Street, Suite 200
San Francisco, CA 94111

**RE: EVALUATION OF POTENTIAL IMPACT ON BLUFF STABILITY FROM
NEW WASTEWATER DISPOSAL TRENCHES
SEA RANCH LODGE EXPANSION PROJECT
SONOMA COUNTY, CALIFORNIA**

Dear Mr. Heinemann:

As requested, we have performed an evaluation of the potential impact on bluff stability resulting from the planned leachfield installation for the new wastewater treatment plant at the Sea Ranch Lodge Expansion project. As a basis for this evaluation, we have reviewed the geologic setting at this location and relevant subsurface information from our geotechnical investigation, and the Fall Creek Engineering Report dated August 8, 2008 which provides a water balance analysis for the proposed tertiary level wastewater treatment plant installation. We have also reviewed the FCE Wastewater Management Plan dated February 2008 for the Sea Ranch Lodge Expansion.

The new wastewater treatment facility will be located near Highway One in the vicinity of the Visitors Parking Lot, and the planned leach fields will be at least 700 feet to the east of the approximately 1000 foot wide bluff frontage above Black Point Beach. This bluff is capped by a roughly 20 foot section of marine terrace sands. Seepages in the terrace materials have resulted in an overall flattening of the upper slope with local gulleying and slumping. The nearest slump is approximately 125 feet from the closest edge of the proposed new guest unit clusters on the open terrain to the east.

The FCE water balance indicates that the new leachfield system will generate an increase in treated wastewater over the system currently in use, which is located below the Lodge; however the actual amount of wastewater to be introduced into the leachfield trenches annually

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will be reduced since the treated wastewater will be used for drip irrigation purposes seven months of the year (April to October) with most of this water taken up by evapo-transpiration. During the remaining five months (November to March) of the year, the disposal of the treated wastewater is projected to cause a maximum two foot mounding of the groundwater table, at a depth of 10.5 feet on the highest point on the mound (FCE, February 2008).

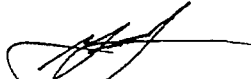
It is our opinion that the increased hydraulic gradient resulting from the planned leachfield system during the period when it is receiving treated wastewater, as provided in the FCE Water Balance Report, will not result in significant increased groundwater flows to the bluff based on the minor (two foot) mounding of the water table resulting from the new installation and the distance to the bluffs (700 feet or more). Therefore, we further conclude that the new wastewater disposal system will not cause increased slumping or erosion of the bluffs.

We have provided our findings and conclusions in accordance with generally accepted geotechnical engineering principles and practices. No other warranty is implied.

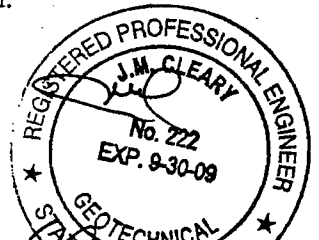
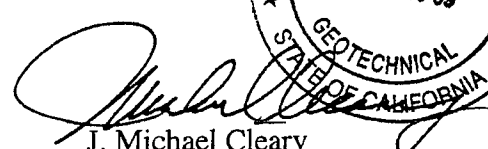
If you have any questions regarding this letter or our findings, please call.

Very truly yours,

CLEARY CONSULTANTS, INC.

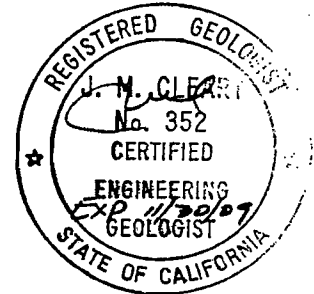


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GF/JMC:cm

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Fall Creek Engineering (1) Attn: Peter Haase
Sponamore Associates (1) Attn: Nadin Sponamore



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