

Dear Sea Ranch Community:

Many of you have asked for an update on the status of our Sea Ranch Lodge Project. After nearly two years of work and numerous meetings with TSRA's Design Committee (DC), we received a preliminary approval from DC at the end of October, which found that our proposed project complied with TSRA's design guidelines. Unfortunately, the DC then chose to impose 10 burdensome conditions on the approval that in our view amount to a requirement that we substantially redesign our project in a manner which would preclude any development. In early December, we filed with DC a Request for Reconsideration of those conditions. The DC met at the end of last week to discuss our Request for Reconsideration and we expect to receive DC's written response in early January.

As good neighbors, we have strived to design a substantially smaller development project than permissible on the site under the 1991 Settlement Agreement in order to adhere to the spirit of the original Sea Ranch design principles of creating architecture in harmony with its surrounding landscape and of living light on the land. We are at the same time creating a project that provides the amenities and attributes of a well-appointed hotel for the benefit of the Sea Ranch community and our lodge patrons. Please take a moment to reflect on the substantial merits of this project:

- The 1991 Settlement Agreement permits a substantial development on our site and our development proposal is for approximately 40% of what is permissible.
- We have preserved open space as the foot print of our project encompasses only 5 acres out of our 52 acres.
- We have endeavored to create a small scale 60 room hotel that is environmentally state of the art (at a minimum LEED™ Gold certified), economically viable and that by all measures embraces the design mission of the Sea Ranch community.
- We have strived to create a project that provides the amenities and attributes of a well-appointed hotel for the benefit of both our lodge patrons and the Sea Ranch community.

Quite simply, if we are unsuccessful in our current endeavors with the DC and the Board to remove the DC's 10 conditions, then no expansion project will be built in the foreseeable future. Although no project is ever perfect, we feel that we have done everything reasonably possible to include the community, and incorporate input as much as possible. We feel confident that our design appropriately balances the needs of the Sea Ranch community with the fundamental necessity of an economically successful project.

The next few weeks will be a critical time for our project. We would like to keep you updated regarding our progress with the DC and the Board. If you are interested in this project succeeding, give us your e-mail address or other contact information, and we'll keep you updated on our efforts and let you know how you may support us in making the project become a reality.