

March 26, 2007

Bill Oudegeest  
Serene Lakes Property Owners Association  
Via email

Dear Bill:

We wanted to follow up with you concerning our conversation on Saturday and share our thoughts concerning how best we can work with the Serene Lakes Property Owners Association regarding future development on Royal Gorge lands.

First, we share your desire to enter into a dialogue designed to work toward a Memorandum of Understanding with SLPOA. We would like to work toward gaining the official support of SLPOA for our development plans.

After having read the very informative Special Edition SLPOA newsletter, it appears that even at this early stage, we are in agreement on one important aspect of our plans so far – there isn't enough detail!

We are aware that the Royal Gorge Concept Plan was vague on a number of fronts that are of importance to Serene Lakes, such as the number of rooms in the lodge, the amount and type of commercial space at Ski Camp, and traffic on Soda Springs Road.

We still have a lot of work to do to flesh out the details of this conceptual plan. At this point, we would like to commit to working with SLPOA toward an MOU, but hold off on commencing a dialogue until we can provide the community with greater specificity.

The specific issues we need to address include:

- Further work on defining the number and types of residences at Ski Camp.
- A better understanding of traffic issues.
- Greater specificity concerning commercial retail space.
- Better understanding of the size and type of the lodge at Ski Camp.
- Better understanding of what kind and how many fractional/shared ownership residences.
- More detail concerning possible visions for Ski Camp, including visuals that communicate potential scale and placement of buildings and architectural design.

Once we have completed this body of work, we believe there will be enough detail in our plan so that we can engage in meaningful conversations with SLPOA.

As we mentioned in the public meetings, we hope to submit an application to the County in June, and that we will be undertaking a Specific Plan process. The application we submit to Placer County will be a concept-level planning document providing the basic framework for the development project. As a result of dialogue with the community—

including SLPOA—we expect changes and refinements to the plan to continue even after the application has been submitted to the County. We anticipate that the Specific Plan will call for Royal Gorge to be developed in a number of phases. To proceed toward actual construction will require specific project-level applications for each phase.

We appreciate the thoughtful, reasonable approach SLPOA is taking toward working with us. We remain committed to working with SLPOA and other community organizations and residents, and we strongly believe the Royal Gorge development plan will be enhanced as a result of community involvement.

Sincerely,

Todd Foster

Kirk Syme

Mike Livak