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January 18, 2012

Ms. Lisa Horowitz
Community and Economic
Development Director
City Of Ketchum
POB 2315
Ketchum, Idaho 83340

Re: Warm Springs Ranch Resort Revised Phasing Plan
Our File No. 10612-001

Dear Lisa:

This constitutes the revised phasing plan ("Plan") for the Warm Springs Ranch Resort ("Project") as required by Section 2.1 of the Second Amended Development Agreement. The Plan currently includes two phases. Phase 1 is the approximately 122 room hotel, 32 condominium and parking structure, together with the creek restoration, trail improvements and golf practice facility. Phase 2 is the remainder of the Project.

Subject to economic and credit market conditions applicable to hospitality projects generally and specific to the Ketchum area, the estimated commencement date for Phase 1 is 36 to 40 months after receipt of approval of the proposed Third Amendment to the Development Agreement and design review approval for the modified Project. Subject to the same conditions, the estimated commencement date for Phase 2 is 12 months following the later of the sell-out of inventory in Phase 1, or the receipt of all approvals required for Phase 2.

As I am sure you understand the estimated commencement dates are based on numerous assumptions any one of which could prove to be materially incorrect. Should that be the case then the dates would need to be adjusted. In the meantime, this hopefully will satisfy the requirements of the Development Agreement and permit the Project to proceed through the entitlement process.

If you have any questions or concerns relative to the Plan please feel free to contact either Mike Barnard or myself.

Ms. Lisa Horowitz
January 18, 2012
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Sincerely,

LAWSON LASKI CLARK & POGUE, PLLC

A handwritten signature in blue ink, appearing to read "E. Lawson", with a long horizontal flourish extending to the right.

Edward A. Lawson

Pdf: M. Barnard