

August 9, 2007

Dear Fellow Homeowners:

As some of you are aware, after working with a builder for over a year on the sale of the development rights, the relationship had to be severed and we have moved on.

I know this is not the news that most of you wanted to hear as it certainly was not what the Board and I hoped for. However, the development rights of the property have been re-listed for \$1,250,000 and we are presently working with a new builder.

Please be assured we are doing the very best we can on this project and believe it will work out to our advantage. A further conversation and update will be coming at the Annual Meeting in October.

Ralph Hinkson
Treehouse HOA President