



1700 Seaport Blvd., Suite 200 | Redwood City, CA 94063  
T. 650.366.0500 | F. 650.366.3790 | info@RCSaltworks.com  
www.RCSaltworks.com

20 June 2008

Doug Karlson  
Blair Island Aquatic Center  
1450 Maple Street  
Redwood City, CA 94063

Dear Mr. Karlson:

Thank you for taking the time to meet with us on 20 May 2008 to discuss the possibility of creating a new facility for the Blair Island Aquatic Center ("BIAC") as part of the Redwood City Saltworks Project ("Project"). We are looking forward to the opportunity to help BIAC realize its dream of a new aquatic center and greatly appreciate the BIAC's support.

As you may know, the Redwood City Saltworks team has gained many insights from the community-based planning process since it began reaching out to the community in June 2006. One of the key priorities expressed by Redwood City residents is that the Saltworks site should meet the recreational needs of the community.

We think one of the best ways the Project could meet these needs would be to create a new BIAC aquatic center. It is therefore our intention to include, in the Saltworks entitlements we seek from the City of Redwood City, a proposal for the development of an aquatic center in an appropriate location within the Project. At this time, we anticipate, as part of the Project, an approximately 20,000 square foot, two story building that would provide adequate boat storage and exercise facilities, as well as a minimum of 500 linear feet of dock and beach access for launching a range of human-powered watercraft (kayaks, canoes, outriggers, dragon boats, etc.). The entitlement request would also include sufficient parking and trailer storage space.

To this end, we would like to arrange a workshop with BIAC members to further discuss the precise size, location and features of the aquatic center. We also would be willing to discuss the form of BIAC's interest in the underlying property (e.g., long-term lease or ownership) and to explore opportunities to assist BIAC with the managing the construction of the facility and opportunities for the inclusion of funding for construction and infrastructure costs for the facility. The size of the initial facility may be less than the entitled facility and would be further refined through the public outreach process.

Please recognize, of course, that we are at the beginning of what will be a very lengthy and complicated entitlement process, and that ultimately this proposal (as well as the Project as a whole)

must be reviewed and approved by the Redwood City Council, and possibly other agencies, before it can come to fruition.

We look forward to working with BIAC to meet the community's recreational needs.

Sincerely,

REDWOOD CITY PLANT SITE, LLC,  
a Delaware limited liability company

By: DMB REDWOOD CITY HOLDINGS LLC,  
an Arizona limited liability company,  
its Manager

By: DMB Associates, Inc.,  
an Arizona corporation,  
its Manager

By:   
Its:   
Authorized Agent