

Resort location:

Snug Harbor Resorts, LLC
3356 Snug Harbor Drive
(On Ryer Island)
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Web site:
<http://www.snugharbor.net>

December 17, 2010

Dear Snug Harbor Leaseholders:

Attached you will find the lease renewal forms for 2011. The berth leases have no changes, but there are some minor changes to the RV site leases, and we've added some more benefits, like more free guest days per month and a change to the RV site limits to allow for up to 8 persons per site.

There is no increase in RV site or berth rates if you are not living onsite. But for those few who live onsite, we have changed to lease form to better reflect the fact they will be onsite more than 60 days per year, and therefore will have extra site lease cost to help defray resort utilities costs which increased substantially in the past year. The California Department of Water Resources now defines how many water tests, reports and the level of water specialists we have to use based on the number of days we expect leaseholders to be onsite annually. DWR has an arbitrary "60 day" cut off, so people who are not onsite over 60 days a year are classified differently than those who may be onsite more than 60 days a year. Not that we do keep track of the number of people onsite any days when we might get close to our "people" totals, which is the summer holiday week ends. The rest of the time its an "honor system" with our leaseholders. We've done a guestimate of how many days per year your family has stayed onsite, on average, during the years you've leased here, and almost all leaseholders qualify for the "less than 60 days" lower lease rates.

As an added benefit, we've increased the free guest days per month to 6 persons, and in addition, you can allow family and friends use of your RV site/unit up to 3 weeks per year, subject to the other terms of lease. We also increased the allowed persons per site to 8 instead of 6, to allow the families with more children or grandchildren to have them all here in their unit if the leaseholder wants that.

Vicki is going through the process of getting those mugs we ordered last year, that ended up not being a good enough quality mug to distribute. We've gone to a different vendor and placed the order, and the mugs will be in the office hopefully sometime in the next month for you to pick up. Each leaseholder family gets two mugs...one for last year and one to say "thank you" for your business this year! Sorry it was such a delayed process!

I am sure by now you've been reading the news about the Bay Delta Conservation Plan and how the state and federal governments want to revise the Delta so that more Sacramento River water can be diverted to other areas of the state. Please go to our "news" page at <http://snugharbor.net> if you want to get updates and links to the full documents from the BDCP. How it all affects us on Steamboat Slough is not clear, except that in the fall and winter we will have less water flow, and eventually the state plans to plant more trees and tules along the banks of Steamboat Slough to make it look more like the north end of Steamboat Slough, apparently. How all this "restoration" will be paid for is not clear as the state doesn't have the funds at this time, or at least its not reported as funded yet.

In any case, we wanted to give you an update on what we do know, and to assure you that as far as we know nothing is changing here at Snug Harbor anytime soon except maybe the water flows will be lower when the pumps already build up by Hood/Freeport area are turned on. As a quick summary of what the BDCP plans for the whole Delta, we are enclosing a map from their brochure found online at the webpage noted below, and also enclosing the page that gives details about their plans for Steamboat and Sutter Sloughs.

http://resources.ca.gov/docs/Highlights_of_the_BDCP_FINAL_12-14-10_2361.pdf

We hope you have a wonderful Christmas and Happy New Year!

Nicky

Vicki Vann-Henderson, Onsite Manager

Nicky Suard, Esq.- Snug Harbor Resorts,
Managing Member

CM6 Channel Margin Habitat Enhancement

Enhance up to 20 levee miles of channel margin habitat by improving channel geometry and restoring riparian, marsh, and mudflat habitats along levees.

Actions to enhance channel margin habitats may include the following, depending on site conditions:

- ▶ Modifying levees or constructing setback levees to create low benches
- ▶ Planting riparian and emergent vegetation on created benches
- ▶ Installing large woody material (i.e., tree trunks and stumps)
- ▶ Removing riprap from channel margins

The channel margin habitat enhancement activities would be accomplished on the following schedule to reach a total of 20 enhanced miles:

- ▶ Up to 5 miles by year 10 of Plan implementation
- ▶ Up to 5 additional miles by year 20 of Plan implementation
- ▶ Up to 5 additional miles by year 25 of Plan implementation
- ▶ Up to 5 additional miles by year 30 of Plan implementation

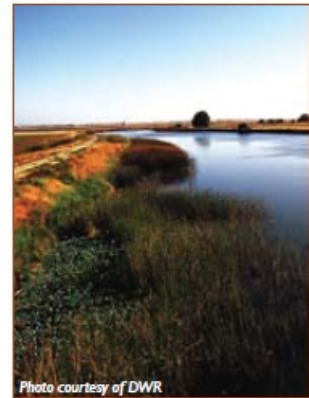


Photo courtesy of DWR



Channel margin enhancement actions will be located along channels serving as primary rearing and outmigration habitat for juvenile salmonids.

- ▶ Up to 5 miles would be located along the Sacramento River
- ▶ Up to 5 miles would be located along the San Joaquin River
- ▶ The remaining 10 miles will be distributed among Steamboat and Sutter Sloughs, and the North and South Forks of the Mokelumne River.

