

Linekin Bay Resort *Update*

Plans for Transformation of Linekin Bay Resort, June 1, 2008

Dear Guests and Friends of Linekin Bay Resort:

We would like to give you an update on the future plans for the resort and invite you to consider owning a home in our new planned community.

Since 1909 our family has owned and operated a hospitality facility for visitors to the Boothbay Harbor Region. From 1919 to 1944, my grandparents, Elizabeth and Grove Branch, ran Linekin Bay Camp for girls. After World War II, together with my grandmother, my parents, Bob and Ida Branch, converted the camp to an American Plan sailing resort.

Since Dad died in 1996, the family, with the support of our manager Ron Brann, has run the resort in an increasingly demanding hospitality market. Over the past several years we have come to realize that the resort is becoming less competitive in our quest to serve the needs and desires of the Boothbay Harbor region visitors and residents. In 2005 we asked Susan Morris and Chip Newell of The NewHeight Group to work with our family to evaluate the resort's qualities and analyze alternatives for the future. As a result of much analysis, we have determined that, to meet the desires of today's visitors and guests, we need to substantially upgrade our offerings.

It is important to us as a family to keep connected with the property and continue to run a family-oriented waterfront resort. Our plans are based upon the premise that the waterfront would primarily continue as resort accommodations and related facilities while a portion of the 19 acres would be devoted to cottages and homes. These homes would be designed and built in a consistent style, appropriate to the region, to enhance the property and would be maintained by a Home Owners' Association. They will be offered for sale to individuals.

We have created a web site www.LinekinBayHomes.com to describe the community that we are planning. It is to be a "maintenance-free" resort community designed for those who do not wish to be burdened by property maintenance and are interested in use of the resort and its amenities. Above all, we want to take the Linekin Bay Resort into a new era while replicating the spirit that has made it so special.

Thank you for the business you have given our family over the years and we hope to continue to serve you in the future, as a valued guest of the resort or as a home owner.

***Sincerely,
Peter M. Branch***

LINEKIN BAY RESORT

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