



Hello, friends of Sanctuary Communities:

Thanks again for your interest in Franklin and in the future we're building for our new neighbors in Western North Carolina and hopefully for you. As we come to the close of 2006, we can hardly wait to continue our momentum into the new year.

In the last few months, we've neared the 50-percent sales mark for lots in our high-elevation retreat community, The Sanctuary at Mountain Grove. Roads are in. So are the gates and the mail stop. The first house, a spectacular Waterfall Cottage, is completed and available for sale. Construction is underway for the Wargo log home on lot 18 (please see our web site at: http://www.sanctuarync.com/wargo_home.htm to view their progress) and we're expecting two more property owners to break ground next year.

More good news for property owners in Mountain Grove: In the spring, the North Carolina Department of Transportation expects to begin widening and paving Mountain Grove Road (State Road 1521), which is currently gravel. When that six-mile stretch is complete, it will shorten the already easy trips to Franklin and Sylva while offering one of the most scenic drives in our region. Those who choose this high-mountain approach to life will enjoy both the opportunity for solitude and the convenience of a close-in location.

Down the mountain in the historic town of Franklin, the dream of Sanctuary Village is on its way to becoming reality. Our Village will be the first new, in-town Traditional Neighborhood Development west of Asheville. It's a mountain classic, compact and walkable, only five blocks from Franklin's Main Street and even closer to the expanding Greenway along the Little Tennessee River.

Sanctuary Village is designed by the acclaimed firm of Allison Ramsey Architects, whose popular plans have been featured in Southern Living, Coastal Living, and Cottage Living. In our plan, we're honoring all the traditions of the best-loved neighborhoods in America -- sidewalks, narrow streets, alleys, parking in the rear, big porches -- all in a rolling mountain topography that offers a treat around every corner. This is a place to thrive among neighbors, whether you're just starting out or enjoying active retirement. A wide range of housing choices, from manageable little cottages to larger homes for growing families, reflect our goal to create a neighborhood where people of all ages and from all backgrounds can delight in one another's company.

To enable our plan, we asked Franklin to create a special Traditional Neighborhood Development ordinance code. The new classification became law in December. In February, we hope to be granted final approval for our project under the new district's guidelines. And then we'll be off and running, with Phase 1 of some 20 homes beginning in the spring. By the fall, we should deliver the first homes, including one for my family.

Between Mountain Grove and The Village, we believe Sanctuary Communities offer the two most popular choices for new communities in the mountains. And we're carefully designing these communities so that they're not only worthy of the unique places in which they're found but that they add to those natural amenities and inspire pride for decades to come.

Come see what we're doing in person. But by all means, watch our progress on our website: www.sanctuarync.com.

Merry Christmas and Happy New Year to all.

Tim Ryan
Founder, The Sanctuary Communities