

**SHEEPSCOT ISLAND COMPANY
MACMAHAN ISLAND
GEORGETOWN, ME 04548**

April 27, 2015

Dear Members of the Sheepscot Island Company:

This will update you on the current status of our on-going legal proceedings, being the dissenters' claims of appraisal rights and the lawsuit filed in late December by Franny Pinney and the six Taft dissenters attempting to invalidate the Conversion Plan.

On March 16 we mailed checks to the eight dissenters for our estimated fair value of their shares at \$26.81/share, plus interest, based upon an appraisal by two highly respected firms which considered both the value of the Company's land and its value as an operating company. By the end of last week all the dissenters had rejected our valuation. Albert D'Antonio demanded \$1000/share and the others demanded \$1,486.09/share. None of their demands included any rationale for the amount claimed. We have taken the next step required under the statute and filed a petition to have the court determine fair value. The petition includes a request, as allowed by the statute, that the court award the Company its court costs and attorneys fees on the ground that the dissenters' valuations are arbitrary, vexatious and not made in good faith.

On March 20 oral arguments on our motion to dismiss the lawsuit were held in the Business Court before Justice Murphy. We believe the arguments went well and we are awaiting Justice Murphy's decision.

In early April the Special Committee asked our legal counsel to develop a framework for a possible global settlement to end both the appraisal claims and the lawsuit and resolve all other open issues. The Board approved the framework that our counsel proposed and John Carpenter presented it to dissenters/plaintiffs' counsel. John received no response. An early settlement might have allowed us some healing over the summer.

On Saturday, May 23, at 10:00 AM at the Playhouse, we will have the first meeting of Cottage and Associate Members. The main item of business will be approval of the budget, and we will have various updates and announcements regarding the coming season. There will be a formal notice of the meeting and proxy voting for Members who do not attend in person.

The Board and I thank you for your attention and patience, and look forward to welcoming you to the first meeting of our nonprofit Company on May 23.

Lucy Stinson
President, SICO