



WAYNE T. MEICHNER
PRESIDENT
POLO RALPH LAUREN RETAIL STORES

Thomas Reynolds, Fillmore Merchants Association
2291 Pine Street
San Francisco, CA 94115

Paul Wermer, Pacific Heights Residents Association

April 4, 2008

Dear Thomas and Paul,

Thank you for taking the time to meet with us this week, and for your willingness to find a common ground on the proposed Ralph Lauren shop at 2040 Fillmore Street. We feel the proposed shop, which will carry both men's and women's fashion, will be a perfect fit with this neighborhood. Much attention and thoughtfulness have been given towards creating the design and concept of this shop, to ensure that it integrates well into the unique Fillmore Street shopping area.

Our team has compiled a list of actions to demonstrate to you how we can best use our skills and resources to partner with the local community:

Youth Education and Experience

We will seek to adopt a local high school or similar educational institution in order to provide interested students with an opportunity to learn about potential careers in the fashion and retail industry. The program would be similar to Polo Ralph Lauren Foundation's "Adopt-A-School" program where Polo Volunteers work with several schools in communities where Ralph Lauren employees live and work. For example, we have attended and participated in career days, established and fostered a program that allows students to shadow our shop managers, and hosted workshops for youth designed to discuss industry-specific topics. In addition, we have also painted classrooms and murals, coordinated holiday activities and donated clothing, jackets, belts and shoes to students in need. As we move toward the opening of the store, we will develop this program in greater depth and clarity and will endeavor to have a partner in place by the time we implement the program in spring of 2009.

Further, starting in 2009, we intend to partner with free-standing charitable programs that serve the local community that are in keeping with the overall company philosophy. Ralph Lauren commits to hosting a minimum of two (2) annual in-shop events to raise funds for reputable and non-profit organizations to help them publicize their good works along the Fillmore Street merchant corridor. We welcome the input of both the Fillmore Merchant's Association and the Pacific Heights Residents Association regarding any specific groups with whom we could partner to make the events truly local.

Environmental Measures

Ralph Lauren is committed to building and running an environmentally conscious shop. If the project is approved, the shop will be renovated using a host of recycled materials, and will incorporate energy and resource-efficient appliances, plumbing, and lighting. A full list of how we plan to use environmentally-friendly products and how we plan to recycle or reuse construction materials can be found attached to this letter.

Contributing to the Community

Ralph Lauren would like to contribute to the cohesive feeling on Fillmore Street through increased communication. To do this, we propose using a local community board, which can be used by retailers and residents alike to post everything from local events, to job postings, to open houses. The board would be posted on a prominent area of Fillmore Street, so that it is easily accessible to merchants and residents. Ralph Lauren would be happy to work with the Fillmore Merchants Association on establishing such a community-based board. Alternatively, if the Merchants Association believes the idea of a board would be best executed via an online discussion board, Ralph Lauren would be happy to work together with the Merchants Association and other retailers to create such a forum.

Ralph Lauren would also be willing to offer our shop to both the Fillmore Merchants Association and the Pacific Heights Residents Association to meet at least once on an annual basis, space permitting.

Up to three times per calendar year, and in conjunction with other retailers along Fillmore Street, Ralph Lauren is willing to make visible within its shop reminders for events that are sponsored by the Fillmore Merchants Association.

Employment Opportunities

Ralph Lauren always strives for diversity in our workforce. To continue our commitment to diversity in our team members, we would be willing to consider working with a non-profit or government-supported employment agency in an effort to identify potential employees to

work at our shop. We hope this will give us the opportunity to reach individuals who might not otherwise apply to work in our shops, but would be an excellent fit.

Please be assured it is our full intention to become an active part of the neighborhoods where we open our boutique shops as demonstrated by our involvement in similar neighborhood communities across the nation. In fact, we participate in over 75 charitable events each year throughout many local communities. For example, just last year we partnered with the Nantucket Historical Association (NHA) to restore the Compass Rose mural, a beloved Nantucket landmark, which adorns the side of our Ralph Lauren shop. Upon completion of the restoration work, T-shirts and hats depicting the restored mural were designed by Ralph Lauren and sold at our Nantucket shop with 100% of the proceeds directly benefiting the NHA. Additionally, last year we held an in-store sales event in San Francisco, in partnership with both Edgewood Center for Children & Families (Edgewood) and one of our valued customers, whereby a portion of all proceeds from the event were donated to Edgewood. This event was so successful that we participated in this same collaborative effort again this year.

We would also like to reiterate our commitment to philanthropic causes on a national and global level that would serve to benefit the local San Francisco community. These include programs which allow qualifying individuals or organizations to utilize their local Ralph Lauren shop for purposes of hosting certain charitable events, the "Pink Pony" program which involves a worldwide philanthropic effort to fight against breast cancer, and the continued participation of Polo Volunteers in events such as the San Francisco AIDS Walk.

Finally, we stand by our original commitments to the community. Those original commitments include limiting replenishment deliveries to the shop to 7:00 a.m. or before on a daily basis, giving the manager of the shop the authority to directly deal with neighborhood concerns or requests, and becoming an active and participating member of the Fillmore Merchants Association.

We believe these ideas exemplify how we could make a meaningful contribution to the Fillmore Street community, and we look forward to our continued partnership to keep the local neighborhood a thriving and beautiful community. If you have additional questions or concerns regarding any of the matters described above, I welcome the opportunity to speak with you directly regarding this.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Meichner", followed by a horizontal line extending to the right.

Wayne Meichner
President - Polo Ralph Lauren Retail Stores

Full list of environmental efforts planned for the 2040 Fillmore Street Shop

- The existing wood flooring will be used to minimize material consumption
- Repurposed fixtures and free-standing millwork will be brought from other locations to be used in the shop
- The custom millwork will be made from 50% recycled wood and paper products
- Front glazing and retractable awnings will be added to the front of the shop to allow natural daylight to be used, instead of solely electrical lighting
- Low volume flush toilets and water faucets will be installed to minimize water usage
- Appliances used in the back of the shop will be selected from the energy star program
- We will participate in the local San Francisco commercial recycling program
- We will be participating in a construction waste management program
- A low vapor paint will be specified on the entire project
- A Novar energy management program will be installed for both the electrical and HVAC systems that maximizes the efficiency of both systems