

November 16, 2015

Dear Lindo Mar Owner,

As previously reported to you, we are finished with all of the litigation resulting from the collapse of our retaining wall in 2006. There were two lawsuits for reimbursement to Lindo Mar for the damages. Lindo Mar won both; however, the insurance company made a successful claim on the Casa Mirador funds that Lindo Mar was awarded by claiming that they had already paid Lindo Mar for the damages.

Below is a final accounting recap of the collapsed wall incident and the insurance proceeds:

Total special assessment revenue in 2006 and 2007 was \$637,965. These funds were expended for operating expenses, repair of the wall and capital expenditures.

In 2012 Lindo Mar received insurance proceeds accounted for as follows:

Insurance Proceeds	\$ 454,438
Remaining relocation costs for 2006-2007	\$ (149,829)
Legal fees for 2012	\$ (129,990)
IVA taxes for 2012	\$ (20,798)
Net Proceeds	\$ 153,821
Remaining 2006-2012 Expenses	\$ (185,488)
Net Insurance Proceeds	\$ (31,667)

All of these entries of income and expenses have been shown in the financial statements and Notes for each year as reviewed and prepared by Lindo Mar's California Accountants. These statements have been published on Lindo Mar's web site. Copies are available upon request.

Even though we are disappointed in the outcome of the insurance claims we are glad to have this behind us. The first few years following the collapse of the wall were financially challenging but with the help of our loyal owners and a great onsite team, we have been able to overcome these challenges and increase reserves. We are now in a position to consider much needed renovation projects for the resort which is very exciting for us all.

It should also be noted that during the first years after the wall collapse, our management company, Trading Places International reduced its management fees and provided us interest free advances.

Sincerely,

The Lindo Mar Board of Directors

