



October 16, 2000

Dear Client,

As many of you may be aware, there have been some recent changes at Playa La Jolla S.A. De C.V. that will have some affect on the Playa La Jolla beach front development homeowners. Specifically, Playa La Jolla S.A. de C.V. has purchased back from Cameron Truesdale all of his ownership interest in the company.

One of Mr. Truesdale's ownership sale requirements was that he obtain all of the "rights, benefits, and obligations" of the current homeowners association. Effective immediately, your next months maintenance fees will not be paid to Playa La Jolla S. A. de C.V. All maintenance fees are to be made out to Fiesta Properties, P.O. Box 925, Preston, WA 98050. Per the purchase agreement, all control of the road maintenance, water delivery, security, and trash removal have been turned over to Mr. Truesdale. This will in no way reduce your rights and privileges as a homeowner. You will be contacted by Mr. Truesdale and given more specific information regarding payment of your fees and answering any questions you may have regarding the above mentioned services at the development.

These changes will not affect the owners of the Paradise Villas located outside of the development. Playa La Jolla S. A. de C.V. will continue to provide services to the Paradise Villas.

Playa La Jolla S.A. de C.V. will continue to build homes and villas at the development. We have contracts for and will continue finishing the homes that are now under construction. Should you have any questions regarding the construction of your home, please feel free to contact Keith Young at 480-491-5860.

Sincerely,

Danny Brown  
CEO

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