



February 17, 2020

Carretera El Choco, Entrado el Choco,
Sosúa/Cabarete, Puerto Plata,
Dominican Republic

809-571-1190 ♦
www.casalindacity.com
www.buyincasalinda.com

Dear Homeowners,

Important info letter to homeowners with rental villas!

Re: Ryan Vandergrift and his company Caribe Dream Resort

You have recently been informed that Casa Linda is about to re-structure our rental department. There have been positive comments about the way we want to do this as well as contact from both individuals and companies expressing interest in becoming Rentals Hosts. One of the companies asking to become a Rental Host is Caribe Dream Resort - which is strange because this company has also sent letters to Casa Linda asking owners move to Caribe Dream Resort exclusively.

Several homeowners have contacted me and asked how Ryan Vandergrift of Caribe Dream Resort received access to Casa Linda owner contact details and then **used this information without permission**. After investigating, we discovered that Mr. Vandergrift was given the list from a disloyal former Casa Linda employee, Belén Liébana, (she downloaded the list while she was employed at Casa Linda). She is now working for Mr. Vandergrift. This illegal action was confirmed by Ryan Vandergrift in a meeting with myself and Erik Moe on Feb. 3rd. Both Mr. Vandergrift and Belén Liébana are now under investigation, as their acts and ethics are not acceptable and are illegal according to Dominican criminal laws.

Mr. Vandergrift is also misinforming homeowners about the services he is offering. To protect yourself (before you make any agreement with him) please investigate and be sure you will not get into trouble with the DR tax authorities regarding the way money transactions/ITBIS are handled.

PLEASE NOTE:

1. Services at Casa Linda:

None of Caribe Dream Resort's renters will have access to our shuttle bus service. As per our previous letter only owners and Casa Linda renters will have use of this service – which is paid for by Casa Linda. Mr. Vandergrift claims that he will start his own shuttlebus service; however, no other shuttlebus services will be allowed entry to our project.

2. Check ins:

Mr. Vandergrift claims that his clients will check in at our security gates. This is not true. His rental check ins need to be at an office outside Casa Linda. Our security has tasks other than being a reception for his clients. We require all renters to give us copies of their passports, etc. which is a time-consuming process and will cause waits at the security gate for owners and other renters. Our own renters check in at our Welcome Centre reception desk.

3. Taxes:

Due to new, strong, worldwide money laundry regulations, the Dominican government has started to enforce the rules and laws of this country. Casa Linda operates legally and is constantly in contact with the DGII (tax authorities) regarding ITBIS and tax on profits. There is no doubt that this will be a priority for the authorities in the coming years. According to Mr. Vandergrift, he is charging 18% ITBIS on all his services (staff). We have no reason to not believe in this; however, please be aware that rental income is also subject to ITBIS.

We know that Mr. Vandergrift collects payments for his online marketing services through his subsidiary company, Caribe Dream LLC, in Miami. Mr. Vandergrift is telling homeowners that he can transfer owner's rental income to this company through PayPal (without being subject to ITBIS) because the payments are not received in the Dominican Republic.

I recommend that you receive confirmation of this information from a reputable DR accountant. I also suggest you receive written confirmation from Mr. Vandergrift that the way he is doing the money transactions are legal and comply with the DR tax laws and regulations. In addition, confirm that he will be responsible for any future claims from the DR tax authorities.

4. Cooperation with Casa Linda:

Mr. Vandergrift has told homeowners that he is cooperating with Casa Linda. This is absolutely not true! We will never work with a person who stole the contact list of our homeowners with the help of a dishonest Casa Linda employee. As a baseline, we know we can't trust him and he operates without integrity.

5. Using homeowners database:

Mr. Vandergrift has used our owner contact list illegally. Please let us know if you receive any further emails from him, Belén Liébana, or anyone else associated with Caribe Dream Resort. We will alert the authorities.

6. Casa Linda employees:

Belén Liébana, who is a former employee of Casa Linda, is sending emails to homeowners, recommending Caribe Dream Resort and telling owners that Casa Linda is no longer operating a rental program. This is not 100% true, as we still want to oversee and have a certain control of what is happening inside our community regarding rental business!

As explained in another letter, our strategy is to let Rental Hosts manage the rental part of Casa Linda, with a goal of getting higher occupancy and better ROI for our homeowners. More rental activities will also secure the jobs for our employees, and even create more jobs. Casa Linda has more than 200 employees, many with families who are totally dependent of their incomes from Casa Linda. Until now we haven't terminated any employees, but soon will need to since the rental homes have been reduced from almost 100 to around 80 within a few months. The different

companies that have contacted Casa Linda, and taken over some rental villas, don't seem to bother about Casa Linda employees, and that's our biggest concern now.

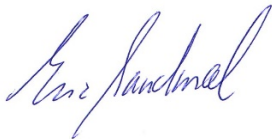
Please consider waiting just a few days before you make any appointments with an external rental/management companies, or at least tell them to hire existing Casa Linda employees. Most of you also have an agreement with Casa Linda with a termination period. We will get back to you later this week with more information.

Conclusion:

We really want to cooperate with rental companies or individuals that can help our homeowners receive better services and return on investment. This letter about Mr. Vandergrift and his company is not sent to you because we are afraid of competition. It's mainly done because we want all rental villas at Casa Linda to be operated under the same conditions. It's also very important for us to let our homeowners understand the *serious risks and consequences* if they don't follow the rules here in The DR.

Casa Linda will have **no profit** in the new rental structure. We want to focus on development of our project, and make sure that the new structure with smaller entities will be the best solution for our homeowners.

Sincerely,



Eric Sandmael, President
Residencial Casa Linda Villas