



7380 W. Sand Lake Road
Suite 130
Orlando, FL 32819
LemonjuiceSolutions.com

August 19, 2025

Dear Hotel de L'Eau Vive (HDLV) Owners,

This letter provides an important update on the continuing efforts to sell the HDLV property following the July 2025 auction process.

Current Offer Status

An active offer remains under review. While this offer reflects genuine interest in the property, the bid did not meet the \$4.5 million reserve price previously approved by the Court. As manager for HDLV, Lemonjuice Solutions (LJS) is in direct negotiations with the prospective buyer to explore adjustments to the offer terms.

At the same time, a related entity of Lemonjuice Solutions has stepped forward as a potential purchaser. of HDLV This evaluation is a counterproposal to the existing potential buyer's offer, with the intent of ensuring that any transaction best serves the long-term interests of HDLV's owners. Lemonjuice had not originally planned to acquire the property and will only do so to protect the interests of all stakeholders.

Financial Realities for HDLV

In addition to challenging market conditions, HDLV's most recent Balance Sheet (as of August 12, 2025) shows over \$2.75 million in liabilities against only \$410,000 in assets, resulting in negative equity of more than \$2.3 million.

These liabilities include:

- Accounts payable and accrued liabilities exceeding \$575,000 for tax liens related to unpaid real estate taxes 2022-2025
- A long-term SBA Economic Injury Disaster Loan of approximately \$156,000 remaining balance.
- Combined loans and interest owed to Lemonjuice Solutions (LJS) and related companies now exceed \$1.9 million.

It is estimated that any sale below \$4.1 million would result in zero net proceeds for distribution to owners, as sale funds would be absorbed entirely by outstanding loans and obligations.



Market Conditions

The commercial real estate market in 2025 remains highly uncertain. Nationally, transaction volume has slowed significantly, with property sales down nearly 40% from 2022 highs due to elevated interest rates, higher borrowing costs, and cautious investor sentiment. Many buyers are requiring steep discounts, particularly for properties in need of renovation or with compliance challenges. In New Orleans specifically, investor appetite has been tempered by rising insurance premiums, increased financing hurdles, and regional economic uncertainty.

These conditions complicate our ability to secure a sale price that meets reserve thresholds and provides sufficient net proceeds for distribution to owners. Nonetheless, the interest shown to date, both from external bidders and from Lemonjuice reinforces that HDLV has diminished value in today's market compared to our introduction over two years ago.

Next Steps

- Negotiations with the potential buyers are ongoing.
- Any transaction will require Bankruptcy Court approval under Section 363(h).

Timeline Recap

For owners who would like a summary of major milestones since Lemonjuice assumed management of HDLV in July 2023, the following brief history is provided:

- **July 2023** – Lemonjuice Solutions was engaged as manager of HDLV. At that time, the property was already struggling with compliance, deferred maintenance, and financial shortfalls.
- **April 2024** – The City of New Orleans ordered HDLV to close due to perceived safety and permitting violations, including fire suppression, elevator access, and ADA compliance issues.
- **August 2024** – HDLV Consolidation, LLC filed for Chapter 11 bankruptcy in the U.S. Bankruptcy Court, seeking to terminate the timeshare regime and authorize sale of the entire property. HDLV Consolidation, LLC is the bankruptcy debtor entity that holds all association owned timeshare interests at Hotel de L'Eau Vive. Its role is to terminate the old timeshare structure and manage the sale of the entire property through the Bankruptcy Court.
- **December 2024 / January 2025** – The Court entered a default judgment, terminating all timeshare declarations and authorizing HDLV Consolidation, LLC to sell the property under 11 U.S.C. § 363(h).
- **July 2025** – A public auction was held. Despite strong interest, the highest bid (\$3.8 million) did not meet the \$4.5 million reserve price. No sale was finalized.
- **August 2025 (current)** – We have an active offer under negotiation. However, it remains below the reserve threshold. Lemonjuice Solutions is evaluating a counterproposal to ensure the best path forward for owners.



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Your Role as an Owner

No action is required from you at this stage. Please continue to monitor the Owner Portal at <https://hotel-deleauvive.info> for timely updates.

We understand that this process has been long and often frustrating. The market realities and HDLV's financial obligations have added complexity, but Lemonjuice remains committed to pursuing the best achievable outcome for all HDLV owners. Inquiries may be directed to hdlvreimagined@lemonjuice.biz.

Sincerely,

A handwritten signature in blue ink, reading "Lina Rocha-Perez".

Lina Rocha-Perez, Project Manager
Lemonjuice Reimagined™

