



November 10, 2023

Dear Hotel de L'Eau Vive Owners,

All owners of Hotel de L'Eau Vive share in the great memories we have created in New Orleans. Your Board of Directors wants everyone to be aware of the challenges that we continue to face every day. These challenges may be surprising to some owners who have not been fully engaged in the details required to run our property.

Like many older timeshare resorts around the country, our owners are ageing and must make complex decisions regarding their ownership. The number of owners that have chosen to discontinue paying their fees is rapidly increasing. Sadly, many of our Timeshare owner friends have also passed away and their families do not take vacations the way many of us chose to. In fact, only about one third of all timeshare weeks are owned by maintenance fee paying owners; this attrition has created hardships for everyone.

As you may be aware, our prior manager had a strategy that involved bringing a sales team to try selling a large volume of these timeshare weeks facing hardship. Unfortunately, this never materialized, and our situation has deteriorated as our owner base continues to decline. Simply put, our existing maintenance fees and paying owner base generate sufficient income to cover only about half of our operating budget, and that does not include any money for improvements, furniture replacement or reserves.

As we progressed through 2023, necessary decisions had to be made to ensure the continuity of operations. A number of options were examined such as increasing maintenance fees, applying a special assessment as well as hiring a new management company. In the process, it became apparent that the property had reached its natural conclusion and was no longer viable as a timeshare.

To safeguard our owners' interest in the property, a choice was made to engage the services of Lemonjuice Solutions (LJS). LJS specializes in properties such as ours and has provided us with a course of action that will protect our owners and provide value for their timeshare ownership.

In summary, the financial challenges faced by Hotel de L'Eau Vive led to notable cash flow shortages, resulting in the following impacts:

- The operating cash accounts were fully depleted in June of 2023.
- Six-plus months of expenses for 2023 must be funded by debt.
- Delinquent Real Estate taxes.
- Long-term debt stemming from an SBA Loan.
- There remain significant unpaid liabilities to various service providers.



All of these occurred before Lemonjuice Solutions came on board, on July 31, 2023. Between August and September, Lemonjuice had to lend HDLV \$168,706 just to keep the lights on and meet payroll.

The 2024 operating budget will soon be published and billed. However, the amounts may not fully cover the true expenses. Lemonjuice Solutions will continue to loan funds to the Association. Additionally, all owners and leaseholders in good standing will receive a voluntary solicitation to sell your weeks to Lemonjuice, this may be referred to as a “tender offer.”

This arrangement will provide owners with a settlement for their timeshare and the opportunity to continue usage through 2024 while our staff remains employed at the property. Owners who decide to accept this offer will then have no further liability for their timeshare.

It is anticipated that there will be many questions. Owners should not flood the front desk with calls, they will not have any more information that has not already been shared with owners. All known details will be published on the following website:

<https://hotel-delauvive.info>

This website will continually be updated with Frequently Asked Questions and Answers. If you have questions not answered there, please submit them via email to hdlvreimagined@lemonjuice.biz. You may also call 866-834-5444 **AFTER** the offer to purchase has been received. Please be advised that our annual meeting will be held in December. Everyone is encouraged to participate. The annual meeting teleconference will be available via Zoom, so attendance in person is not required, and instructions will be provided when the notice is officially posted. This will be your best opportunity to ask questions and learn more about what is happening.

Regards,

Board of Directors and Lemonjuice Solutions