

June 1, 2015

Dear Club Cascadas Members,

It has been more than eight months since Hurricane Odile badly damaged our Club. All villas are now open, with eight of them fully remodeled, and six palapa roofs replaced with concrete ones that will not need periodic replacement.

Even though eight months have passed, the Club has only received a modest, token insurance payment to date. It is not unusual, after such a major disaster, for the insurance process to take what seems to be an inordinate amount of time. In such a disaster involving a large claim, it is also always wise to hire an independent insurance adjuster that has no ties to any insurance companies. Therefore, soon after Odile, the Board quickly engaged **Adjusters International** of Boulder, Colorado, which already had its people "on the ground" in Cabo. They immediately responded with on-site support.

The Club's onsite management team, besides directing the massive clean-up, immediately began collecting photos of the damage, eventually amassing a collection of more than 1,400 photos that would help document our claim. Mark Giddings, who was on site during the storm and for weeks afterward, worked with our contractors to quickly obtain repair estimates and to initiate those repairs.

The core of the Club's insurance team consisted of: Larry Greenberg, a Cascadas board director; Richard Bort, a member of the Legacy Committee; Daniel Holzkan, Cascadas' general manager; Reyna Gerhardus, assistant general manager; Mark Giddings; and TPI's Tricia Ciaccio, Gail Turner, and Luis Moran. The insurance team held 19 weekly telephone conference calls between September 26th and February 20th with our American and Mexican insurance brokers, Adjusters International, and a Mexican attorney. This group, averaging 10 to 14 people per call, exchanged information, assigned tasks, and made remarkable progress.

By late February, the property damage claim of more than 1,000 pages was assembled by Adjusters International. Additional documents related to the name of the Club's Mexican operating company, were required by the Mexican government, which has very strict anti-money laundering laws, and delayed final submission of the claim until late April. The board is hopeful that processing of the claim and payment to the Club will occur in the near future, but we don't have a date as of this writing.

The Cascadas board had committed to refunding maintenance fees to members who could not use their villas due to the resort being totally closed for weeks 39-43, or because 14 villas remained closed for roof repairs and remodeling for many more months. The board felt that all Cascadas members should share in any financial burden, not just those members who were displaced by the storm and the subsequent repairs. The maintenance fee refunds, which amount to more than \$600,000 for the repair period, are part of the Club's insurance claim. Currently, hundreds of members are patiently awaiting the insurance company to approve that part of the claim, and for refunds to be processed.

The Club's remodeling program has also been slowed down pending collection of the insurance proceeds and the determination of the resources available to proceed. Meanwhile, the Club is operating smoothly, and the repairs and upgrades are getting rave reviews from many members who have visited the Club since it reopened.

The Board of Directors of the Cascadas de Baja Association