

Friday, April 15, 16

Dear Tao Homeowners and Tao Inspired Homeowner's Group Members,

In our recent letter to you, we chose not to explain the history and evolution of Karin Sinniger's relationship with Tao, however, due to the escalation of accusations posted in the last week, we now feel forced to explain and share the whole story with you given the severity of the accusations, defamation, as well as what we now consider slander against our community, employees and our company.

The primary reason we chose not to disclose this matter in our previous letter to you was two part; to protect Lisa Sinniger and her young son, Karin's sister and a Tao resident and; due to the ongoing legal process associated with her and her family. Unfortunately, the situation has spiraled in a shamefully public manner.

On 2014, we were contacted by Lisa Sinniger, Karin's sister, who asked me to meet to discuss a *'life and death matter.'* Lisa explained that her life, and that of her young son, was in danger, due to a substance(s) found in the water supply. She indicated that as evidence of this, she was providing us of lab results and a medical report she had undertaken, and that which she had been holding on to for some time and she asked for a substantial compensation for damages caused and in order to keep silence about the situation. When we asked why she and her son remained in the community if she truly believed her life was in danger, she did not provide any response.

Despite our disbelief of Lisa's *'evidence'*, a copy of which we received, and despite the fact that over the course of construction the water supply was tested as part of the construction process, I agreed to hire an independent, certified lab to re-test our water supply, understanding that if there was any fact in Lisa's accusation, it would result in monumental impact not only to Tao, but also Bahia Principe, the municipality and the state. We spent over \$4,000.00 USD in the process and the results were ***conclusively negative***, as expected, and in accordance with all of our initial testing. These results are available for review. There are no, and never have been in any of our testing's, any dangerous substances found in our water supply.

Based on the above, we decided to pursue this matter legally and denounce all facts before the corresponding Mexican authorities. This is the legal procedure we referenced in my previous letter to the Homeowners, and it will be up to Mexican authorities to determine if Lisa's actions and conduct could be considered as a crime, we limited ourselves to denounce facts and provide evidence.

Several months after Lisa's accusations, Karin's lawyer contacted us requesting payment of \$20,000.00 USD as a compensation for the lack of a private parking spot with legal title, associated to her unit, which had been contractually agreed upon. Rather than simply paying the cost requested, we agreed to take the necessary steps to modify the Condominium Regime to correct this, despite the cost and delays it meant and despite the fact that there are plenty of parking spaces for all residents, in order to do the right thing and transfer title of the parking space to her. Karin's agreement including title of parking space as part of her private unit has been formalized and closed to her satisfaction.

Karin's response through her attorney, (regardless the fact that title of her unit including parking space have been formalized), was that; *'if she was not paid the \$20,000.00 USD, she would become our worst enemy and would destroy our image and the Tao Community value.'* She even went so far as to tell his attorney to tell us that *'she would go to the major US Networks (media) to attack us'* and that she was *'a powerful enemy, being an important VP International Attorney at a huge oil company'* and that *'we had no idea how powerful and strong an enemy she will become'* and that the *'value of not having her as an enemy was much greater than the \$20,000.00 USD she was asking for'*.

Karin's frustration for our choice to modify the condominium regime and transfer title to the designated parking space appeared to be due to the fact that she was in the process of transferring the property to a church as part of what appeared to be a tax-related issue.

In December 2015, upon completion of the transfer of title of the property to the church on Karin's behalf, *despite her sister Lisa's claims of a lethal water supply*, we received the following friendly and complimentary email from Karin to her closing attorney and copying us;

*"Hola Ernesto:*

*I tried to call you in person to thank you, Adriana and Lic. Leonor Laviada for such an excellent outcome.*

*I also wanted to thank Fernanda and **Tao for their cooperation.***

*The fact that the signing tomorrow coincides with Christmas is truly wonderful. It is a wonderful Christmas gift for all parties involved.*

*We look forward to receiving a scan of the title deed tomorrow.*

*Thank you again so much Ernesto for coordinating this so well.*

*Kind regards, Karin*

*Karin B. Sinniger,*

As you can see, this is an odd email to send to Karin's attorney, if there was truth to the many 'problems' Karin complained of in her Google group posts. Those posts, however, were written after this email and after we informed her that we would not be paying her any money.

Yes, it might have even been *easier* to pay Karin Sinniger the amount she requested to avoid the threat against our community's reputation, the drawn out legal proceedings, attorneys; fees, and loss of time, however, I believe that doing so would be fundamentally wrong and could imply that Tao is hiding something, or acting in a dishonest or illegal manner, which we are not. We prefer to fight the false accusations, fight to maintain our own integrity and that of our company, and most importantly that of our Community.

As you can see, both Sinniger sisters asked for money to *"resolve the problem"*, and it is Tao's policy not to accept threats or intimidation. We believe we have created a company with values based on integrity and honesty, if we make mistakes we either fix them or face consequences in terms of applicable laws and always based on ethics and moral values. As we stated in our previous response, Karin's letter is full of false accusations, mistakes, lies and mistaken legal information. In writing the posts, however, she is only fulfilling her own threats and her own agenda.

As per our lawyer's advice, this is the last response we make to Karin and Lisa Sinniger's posts, threats and communications, all facts have been reported to authorities in terms of applicable laws, and there are several ongoing legal procedures against them.

We would like to thank for the emails we received from many Tao homeowners expressing their support, gratitude, concern and constructive feedback. This clearly shows that our Homeowners have a legitimate interest in the growth and long term interest of our wonderful and diverse Tao Community and the bonds we are creating.