

Grupo Desarrollos Santo Tomás, S.A. de C.V.

Callejon Doctor Franco No. 24
entre Progreso y San Alberto
Colonia San Alberto, Caborca, Sonora MEXICO
Tel Mexico 011 52 637 372-8156
Tel USA 480 785-1915

July 28, 2010

Dear Friend of Santo Tomás,

We are pleased to announce that the construction of the portion of the coastal highway, the "Costera", that passes near Santo Tomás was begun on July 5th, 2010. This construction will bring a major highway within 7 miles of Santo Tomás, running north-south along the eastern edge of the Ejido, Alvaro Obregon (the village you pass through on the way to Santo Tomas).



Construction on the east edge of Ejido Alvaro Obregon, 7 miles east of Santo Tomás

The Costera highway runs from San Luis, on the US border south of Yuma, east along the coast to Puerto Peñasco and then south all the way to Guaymas, 240 miles south of Santo Tomás. It is a two-lane road with wide shoulders, similar to the road from the US border to Rocky Point. The driving time from San Diego to Puerto Peñasco on this new highway is 5 hours.

The Costera is being completed in sections: The sections are: San Luis to Puerto Peñasco (Finished), Puerto Peñasco to Desemboque (under construction), Desemboque to Puerto Lobos (Finished), Puerto Lobos to Puerto Libertad (60% done), Puerto Libertad to Kino Bay (next), Kino Bay to Guaymas (last).

The section of the Costera from Puerto Peñasco to Desemboque follows the Puerto Peñasco-Caborca Highway until the Caborca Highway turns inland toward Caborca (6 miles north of Alvaro

Obregon). At this point, the Costera separates from the Caborca Highway and heads due south, passing along the east side of Alvaro Obregon and then continues south until it intersects with the current highway from "Y Griega" to Desemboque. (Please see the enclosed map).

Work crews are currently paving from the Ejido south to the Desemboque highway and will finish this 10 mile stretch by mid-October. They will then begin paving from the Ejido northward, a distance of 6 miles, in order to connect with the Caborca highway. This new highway will cut 10 miles off of the drive from Puerto Peñasco to Santo Tomás.



In conjunction with this highway work, we plan to extend the east-west paved road that is south of the ejido so that it passes to the south of the church and provides a straight and clear exit toward Santo Tomás. We will install a culvert at the current end of the paved road and extend the pavement westward.

Costera Highway from Desemboque to Puerto Lobos

In order to raise funds for this road work we have decided to offer five lots at reduced prices with an additional 30% discount for cash. Two of the lots are in the new Aguila subdivision and the other three are in section one of Las Dunas.

Lot Number	Lot Size Square Ft.	Price \$US with 30% down	Price \$US Cash	Description
30	11,647	\$32,700	\$22,900	Ocean view, 3 stories allowed
48	10,011	\$33,000	\$23,100	Ocean view, 2 stories allowed
81	21,245	\$85,000	\$59,500	Hill top estate lot, 1/2 acre, 3 stories
161	6,326	\$20,900	\$14,630	Aguila, ocean view from 2nd story
162	6,326	\$20,900	\$14,630	Aguila, ocean view from 2nd story

If you are interested in any of these lots, please let us know prior to September 15, 2010 when we will need to commit funds for the road work. All of the lots include water and electric power. For questions or more information regarding these or other lots, please call Chris Teutsch at 480 785-1915 or send an email to "chrislasdunas@yahoo.com.mx".

Regarding other infrastructure projects, the new international airport, "Aeropuerto Internacional Mar de Cortés" opened for charter and private flights in November, 2009. The airport can handle Boeing 767 class aircraft. The runway is 8200 feet long. Currently, the Mexican government is negotiating with airlines for affordable ticket pricing in exchange for exclusive franchises.

We always like to remind everyone that Santo Tomás is a unique place, quite different from Rocky Point. Besides seclusion and expansive beaches, we are surrounded by a vibrant desert and lots of agriculture. The Santo Tomás region is home to the largest species of cactus in the world, the Cardón, in Spanish, the "sahueso", which can weigh more than 25 tons and reach over 70 feet in height. The picture to the left, taken by one of our home owners, shows how large these cactus can grow. In July, sahuessos are loaded with red fruits that are similar to strawberries in texture and flavor. In ancient times, they were an important food for the Seri people. This specimen is located east of the ejido, about 25 minutes from Santo Tomás. There are also many farms and orchards in this area, growing grapes, citrus, asparagus, peaches and olives.



Cardón "Sahueso" Cactus

There are many different groupers in the Santo Tomás area, locally called "pintas", "vayas", "pargos" and "baquetas". The "pinta" grouper pictured to the right was caught 15 miles offshore in 150 feet of water.

During the past year, we have constructed two more homes at Santo Tomás and completed another condo unit. This brings the total number of dwellings in the Las Dunas subdivision to 29 homes and 3 condos.



"Pinta" Grouper Caught 15 miles off of Santo Tomás

Fishing continues to be a popular activity with our residents and visitors and the 2010 corvina season was excellent. The corvina is a sea trout that comes near shore in April thru June. Corvina can be caught right from the beach as the tide crests.

June is also an excellent month for grouper. The best conditions occur on the day before a quarter moon, when the tides are not as strong (neap tides). The currents are significantly weaker which makes a big difference when trying to drop your line 150 feet down and not get it tangled with other people on your boat.

In addition to the previously mentioned lots, we also have 2 beach lots and 4 view lots for sale in Las Dunas I & II, 4 hilltop estate lots in the founder area, 12 Aguila lots and 2 first floor one-bedroom condos and one three bedroom condo penthouse. Our construction costs still remain lower than before due to the advantageous Mexican Peso exchange rate.

In light of the current economic downturn and the need to dry-in the condo building, we have decided to offer the last two one-bedroom condos at a 50% discount with the understanding that the contemplated common areas (the swimming pool, clubhouse, recreation center and bathrooms) will not be completed until the economy improves and the other two condo buildings are constructed. Enclosed, please find a layout and information sheet for these two condos.

Currently, there are 8 homes and condos for rent at rates of \$900 to \$2,250 per week. We have extended our 15% renter discount through February, 2011 and we have created an a la carte menu so that renters and home owners can pre-order items such as salsas, tamales, tortillas, purified water and cases of Mexican coke (menu enclosed). On the reverse side of the menu, you will find a grocery package from local merchants that can be delivered to your home or rental. The package contains many locally produced products such as beef jerky, olive oil and salsas. The package contains \$200 of groceries and beverages. There is a delivery charge of \$50 for a total price of \$250. As part of our fall rental promotion, this package is being offered for \$150 for rentals of three days or longer which are reserved prior to November 30, 2010 (limit of one discounted package per rental).

If you have ever considered buying and building at Santo Tomás, now is the time to purchase your lot. The extension of the coastal highway will have a very positive effect on our project and the entire region. The highway is evidence of the Mexican Government's determination to provide infrastructure and investment in support of the tourism industry. As discussed in our previous letters, the combination of the coastal highway and the international airport will greatly increase our market reach. Within 6 months, Santo Tomás will be the only large scale beach development with water and power on the coastal highway after Rocky Point for 120 miles.

Thank you for your interest in the Santo Tomás community. If you have any questions about the above developments or about the project, please feel free to contact Doug, Tom, Bob or myself.

Sincerely,

Chris Teutsch
Grupo Desarrollos Santo Tomás, S.A. de C.V.

480 785-1915
011 52 1 637 102-1430
chrislasdunas@yahoo.com.mx