LANDMARK LAND COMPANY, INC.

March 3, 2010

"The Moving Finger writes; and, having writ,
Moves on: nor all your Piety nor Wit
Shall lure it back to cancel half a Line,
Nor all your Tears wash out a Word of it."

Dear All,

To me the above quote means that all comments on the future are speculation, but the past is the truth, the truth, the truth.

The purpose of this letter is to briefly review the operations of Landmark for February.

1. South Padre Island – The history of sales at South Padre Island since it began in 1999 are as follows:

1999	28
2000	70
2001	71
2002	63
2003	71
2004	108
2005	197
2006	175
2007	126
2008	24
2009	20
2010 (Jan/Feb)	2

As you can see, we had 2 sales in the first two months of the year and to me it is unbelievable that the beginning of 2010 would be worse than the beginning of 2009. There are approximately 1,000 units that are sold and occupied, a vibrant community has been created, and yet our sales are not nearly as good as they were before the housing boom started.

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One explanation for this is that it is inherent in our business that your former customers, when they determine to sell their homes, are your largest competitors. Because there were so few sales in the last half of 2007, 2008 and 2009, the market was much greater than normal, and buyers with the illusion of fear still in their hearts, looked for the most inexpensive, not necessarily the newest product. The bottom line is we should expect that South Padre Island sales will not be as good as projected, however, we can be certain that the baby boomers are aging one year at a time, that this is a high value, low cost middle class, pre-retirement/ retirement community, and that we are on the right side of history.

While I don't want to confuse the atmosphere with a note of optimism, it appears more and more likely that the proposed causeway will proceed and that Holly Beach Road, our north boundary line, will be chosen as the access road to the causeway if it is built; it will therefore be four-lane, but not limited access.

If the four-lane road is built on our northern property line, it will not only create long-term substantial commercial potential, it will also isolate the Ocelot, if in fact there is an Ocelot, and make it easier for us to proceed to get restrictions from Fish and Wildlife lifted from our most valuable property. In short, South Padre is like so much in our lives, long-term excellent, short-term a disaster.

2. Apes Hill Club – In January we had no contracts or reservations at Apes Hill. In February we had 6. We have projected 23 sales for the year. The last two weeks of February traffic was good and serious and there appears little reason to doubt that the unusual decision of requiring ownership of property at Apes Hill as a prerequisite for application for membership to the golf club, has been a successful decision. To-date we have at least 2 of our 6 new reservations or contracts buying only because of how important it is to them to be a member of Apes Hill Golf Club.

   It appears this momentum will continue into March, as the acceptance of our golf club is unprecedented in the history of Landmark. Those who have played it universally feel that it is the best in Barbados, the best in the Caribbean, and perhaps the best new golf course in the world. Martha and I leave early tomorrow morning for Barbados and if I learn anything different from what I have said, I will drop you a note.

3. Hana – After 12 years of careful structuring of a plan that was approvable, we have agreement with the county to divide our approximately 130 acres of beautiful land in Hana into 14 lots and, by far the most important, these lots will be serviced by county water. You may recall that the ownership of this land is 45% Landmark, 45% Steve Manolis, and 10% Libbie Kamisugi. As always, it was the woman that did the heavy lifting and Libbie succeeded after years of effort to get this done. Landmark planned the subdivision and now Steve Manolis is taking the responsibility of marketing it. It is his hope to sell it wholesale, with a concept, to the new buyer of the Hotel Hana, if in fact the sale is closed, or to the present owner, if the sale is not closed. I believe that our interest is worth somewhere between $3,000,000 and $6,000,000.

4. New Business

(a) Bright's Creek – After approximately 9 months of negotiations, it appears that we will sign a contract this week for the purchase of 5,000 acres of the Bright's Creek community. This community is the highest quality, mountain, residential resort I have seen. For the last month and until the contract is closed, modified or amended, Chris Cole and Troy Miller are living on-site and with the permission of the owners, have been involved in management of the community.

Steve Manolis has been spending approximately half of his time marketing or preparing to market this contract to an investor and is extremely frustrated that the owners have limited his time for marketing to the end of April. Steve has talked to the Durst Organization and two REITs – Vornado and Rockwood, among others. My thought is that if the contract is closed, it will be done on a modified contract and if it is not closed, Landmark may have a strange opportunity. The opportunity is that the owners, two successful agricultural gentlemen from South Carolina, built Bright's Creek because of their passion for quality and their passion for golf. With cost overruns and a fading market, they ran off their developer and have been operating the course with no leadership and simply withstanding the operational loss of $10,000 per day. They now have grown tired of that loss and, if Steve does not succeed in finding money to buy them out, their options will be to continue to bear the burden of the loss, to find someone else to work with to bear the loss and through active management diminish the loss, or to close it down, which would result in a very messy court battle between them and the 300+ lot owners and 200+ members. There are approximately 30 houses built and a little over 20 occupied. The owners have great faith in Landmark. They have visited Apes Hill in Barbados and if Landmark could find a little money, I believe we could raise the rest of it from the very affluent lot owners and members that already have a vested interest. This bootstrap option would only exist if Steve failed in his efforts. It would be both foolish and disloyal for us not to support Steve in his effort 100%, but it would also be foolish not to have a fire and fallback position after our substantial expenditure of time.

Looking forward to seeing you at the Board meeting. I believe you will love Bright's Creek.

(b) St. Lucia – In this case it seems to me that history is circular, not linear, and the beat goes on. After Scotia Bank first agreed to, and then reversed their position based on the participation of the National Insurance Company of St. Lucia in financing this project, William Hutchinson met with the Prime Minister and the chairman of the insurance company and, he believes, persuaded them to increase their investment from $10,000,000 to $13,000,000 and restructure the finance in a way that would be agreeable to Scotia Bank. It is my understanding that the National Insurance Company of St. Lucia will meet on March 9th (one week from today) and it is also my understanding that this item is on the agenda.

(c) Puerto Vallarta, Mexico – Alex Davis, the son of the owner of the golf community development in Puerto Vallarta that needs to be redeveloped, came last month to Bright's Creek and for two days we discussed the nature of the community development business and how we might work together. He is very pleasant, he appears to be agreeable, he left and we have not heard back. I would assume that we will not be involved in this redevelopment.

(d) St. Kitts – St. Kitts owes Landmark $250,000 as the second payment on the business plan. After the Prime Minister's reelection (for an unprecedented 4th term), his representative emailed us and said we should expect payment in February, and we did, and we were disappointed. We have reminded them again of their obligation.

5. Cash Flow – Now for the finale you have been waiting for – cash flow. The only substantial cash income that Landmark can achieve in the short run is sales in South Padre and fees from Barbados. Under the bank agreement in Barbados, we cannot declare a dividend until after the bank is fully repaid. So, in short, Landmark has little or no income and diminished, but still substantial expenses. In these circumstances one can only borrow, which we have done, go broke, or sell assets. It is patent that in these times, you can only sell your better assets. Claudia Holliman has $2,000,000 of preferred stock that we have not been able to pay the required dividend. Last week we agreed to sell her 3% of the ownership of Apes Hill with the cancellation of the $2,000,000 of preferred stock and the additional investment of $1,000,000 in cash. This values Apes Hill at $100,000,000 and our interest at $33,000,000.

For the last approximately 9 months, Paul Lamb, acting as a trustee for a large private trust, has shown interest in investing in Apes Hill. He has hired a golf analyst from Dallas to talk to Martha monthly and report to him on the progress of Apes Hill. He arrived Saturday afternoon at Apes Hill and has been extremely positive about our development, but no business has been discussed. Martha and I go in the morning to Barbados and I anticipate meetings with him on Thursday, Friday, and Saturday. I have no idea of Paul's perception of value, but in conversations with Martha and his analyst, I believe he would like to lend money to Landmark or to Apes Hill that was convertible into the stock of Apes Hill. I am confident that we will have disagreement of value, but I am also confident that the quality and acceptance, at the highest level, of the Apes Hill Club, makes it the kind of property that Paul would like to be associated with. I am told that there are only 16 English Dukes and that 2 Dukes, the Duke of Marlborough and the Duke of Beaufort, played independently at Apes Hill Club in the month of February, as did Prince Harry. We all know you cannot deposit prestige in the bank, but perhaps it will be an influence on Paul.

Clearly if there is any definitive news on the meeting later this week, I will let you know. Looking forward to seeing you April Fools Day.

Sincerely,

Jerry

Gerald G. Barton

GGB/gaf