



September 16, 2016

The Ownership Committee
Gray Line Worldwide
1835 Gaylord Street
Denver, CO 80206

Dear Committee Members:

At your request, we have read the Consolidated Statements of Financial Position, Operations and Comprehensive (Loss) Income, Changes in Members' Equity and Cash Flows as of, and for the years ending, March 31, 2016 and 2015 (the "statements") of Twin America, LLC and Subsidiaries (the "entity"), as provided by Gray Line Worldwide (the "Company").

We have the following observations:

- The financial statements include the accounts of Twin America, LLC and its four wholly owned subsidiaries.
- Cash represents 52% of current assets and 27% of total assets as of March 31, 2016. The cash balance increased 51% from 2015 to 2016.
- Receivables represent 25% of current assets and 13% of total assets as of March 31, 2016.
- Net property and equipment represent 33% of total assets as of March 31, 2016. Transportation equipment represents 72% of gross fixed assets as of March 31, 2016. Property and equipment decreased 28% from 2015 to 2016 mostly due to the recording of depreciation expense on such assets.
- The entity holds a noncontrolling equity interest in a company located in Spain. The equity interest in this entity is reported as an Investment in the financial statements and represents 9% of total assets as of March 31, 2016.
- Current liabilities represent 66% of total liabilities as of March 31, 2016. Accounts payable and accrued expenses represent 85% of the current liabilities. Included in these liabilities are legal settlement payments due as described in Note 7.
- The mortgage payable represents 30% of total liabilities as of March 31, 2016. In the prior year, a loan was outstanding to a related party which was repaid in fiscal 2016 using the proceeds received from this 15-year mortgage loan entered into in April 2015. The entity has other credit arrangements in place as described in Note 6. No amounts are outstanding under these arrangements as of March 31, 2016.
- Revenues decreased 12% from 2015 to 2016.
- Gross profit decreased 31% from 2015 to 2016. Gross profit as a percentage of revenues decreased from 22% in 2015 to 17% in 2016. This factor was the major contributor to the operating losses incurred for 2016.

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- Selling, general and administrative expenses decreased 24% from 2015 to 2016.
- The entity went from a net income position in 2015 to a net loss position in 2016.

Based upon our reading of the financial statements provided to us, our initial areas of concern are:

- Two claims against the entity were made in prior years and were settled in fiscal 2015 as described in Note 7.
- There are multiple transactions with related parties of the entity as described in Note 8.
- The consolidated financial statements have been audited and are prepared in accordance with accounting principles generally accepted in the United States of America.

Our observations are solely based on the limited information provided to us. We have not performed any audit or review procedures with respect to this or the underlying information.

This report is intended for the information of management, the Board of Directors, and the Ownership Committee of Gray Line Worldwide and should not be used for any other purpose.

Please contact us at 303-770-5700 if you have any further questions.

Sincerely,

A handwritten signature in black ink that reads "Eide Bailly LLP".