

10th December 2015

Dear Mr. Declan,

Thank you for your correspondence to us recently and we would like to work together with you to reassure our mutual clients of the current situation.

As you know, there was a delay for some clients with rental payments due for 2014 and we apologize for this. As you mention, unfortunately the systems and reporting we had in place to calculate the rental income failed. This process was complicated and time consuming but we understand it is was our responsibility to fix.

The three reasons mentioned in your email about the delay in payments are linked; first we had problems with our system, which required a more manual solution and of course more labour hours. Then we had the uncertainty with the political and economic situation in Greece, which also created local operational issues that stretched our staff, but we are working very hard to maintain our management standards.

Capital Controls.

Greek banks were, for a time, closed and the capital controls imposed on June 29th still remain in place. Legislation restricts Greek companies and individuals making payments outside of Greece, however we are hopeful that this will return to normal next year and we will update you on this situation where possible. The restrictions are still in place and do not allow transfers overseas – we have investigated this for the situation with your clients and for other instances with other business scenarios. The rules are changing a little but for now we do not have authority to make international payments.

We do apologize that there is a delay and want to assure you that we understand that payments are very important. We are most grateful for your continued cooperation.

Rental Income.

The money for all rental income is deposited into our bank account via various methods – for example bank cheque, cash or electronic transfer. Upon arrival we make our calculations and provisions for various expenses and local taxes. After this process we begin the calculations of individual clients and their specific weeks of income, as this is separate and individual to each client and property.

It is important to understand that when we receive money, from any source, it is into our bank account as it is payable to our company and not to a third party – therefore it is categorized as company revenue, not client money. This income forms part of our company revenue and payments to property owners is one of our company expenses. We do not offer a service where we receive funds on behalf of any third parties; the cost relating to the use of client properties is an standard expense to our business.

Sale Options.

If we understand the question in your email correctly, we assume you are making reference to a client who may have a property that we manage but now wish to sell? If this is right, we are not involved in selling or reselling of property, we only manage the property and therefore we cannot assist further on this subject. However selling is possible and you should enquire via the original real estate agent who should help you on this.

We also understand that some of your clients are unnecessarily concerned about the money they invested to purchase their property at the resort. It is important to remind you that the properties purchased from the developer of the resort are separate to the rental and management that we perform. The properties are what we call "immovable objects" and therefore the funds used to purchase them, remain secured on those properties and the property remains the clients to do as they wish.

The good news on this subject is that the resort developer has carried out a number of improvements, so that the project can receive a 5 Star classification. This is beneficial, as it should help property values if clients wish to sell their property in the future.

Personal Use.

We have safeguards in place to prevent your clients from visiting the resort and using the facilities themselves without normal payment. This is not permitted. We understand that your clients are with a restricted contract and therefore cannot use their property unless they pay a publicly available rate. You can be reassured that any other benefit cannot happen.

Communication.

We think we can improve our communication to clients and we hope to work together on this. You mention "the FCA expects SIPP operators to keep their clients informed of any issues that may arise from their investments and the information you provide will be communicated to the investors in due course." We agree but we think our most recent newsletter was not communicated and this has caused more uncertainty from clients who were not aware at all about some of the issues we have mentioned. Earlier in the year we requested some assistance with communicating to the clients via email, our newsletter, however we are unsure if many of your clients received this newsletter? In the future we can make the communication better and we have a joint responsibility for this.

We welcome your suggestions for better communication to our mutual clients.

Sincerely

Paolo Management