

Mrs. Mitchell,  
Ashton, Union Island  
St. Vincent & The Grenadines

Bigsand Hotel, August 6, 2008

Dear Mrs. Mitchell,

This letter is to notify you, that I feel that the premise under which I entered into the purchase agreement to buy Lot no. S35 from you, was false.

When I signed the agreement, I was under the impression that I was buying approximately 4 acres, minus some land of an unknown size, which was lost to erosion.

During my attorney's search, we discovered that you had ordered a survey several months before we signed the purchase agreement. That survey revealed that only approximately 2,6 acres of the land was left at the time of the survey, a fact which you failed to disclose to me.

Needless to say, I was surprised and disappointed that you had concealed such an important fact to me. The price I had offered to pay was based on approximately 5,5 US\$ per square foot, but with the reduced lot size, the price is closer to 9 US\$ per square foot.

My attorney has recommended that I demand a reduction in the purchase price, and pay 5,5 US\$ per square foot for the 2,6 acres, rather than for the 4 acres.

Rather than just taking my attorney's advice and demanding a reduction in the purchase price to reflect the actual size of the land, which was known to you at the time we entered into the agreement, I decided to come to you in good faith, with a proposal, which would still get you the same amount, only with a different payment schedule.

I agree with you that we have a binding agreement, and I have already had the land surveyed in preparation for the subdivision and I will continue clearing the land etc. as we originally agreed. I can even agree to pay the full asking price, despite the fact that you did not disclose how much land was actually lost to erosion, but ONLY on the condition that you agree to my proposed change in payment schedule, where I pay 100,000 US\$ no later than October 15, after which the land is transferred to me and with payment of the remaining 900,000 US\$ as soon as we sell the subdivided lots.

If you can agree to my proposed amendment of the payment schedule, the please sign the attached amendment no later than August 13, 2008, so I have some time to get the money in order.

If you cannot agree to my proposed changed payment schedule, I will instead ask you to reduce the price of the land according to the actual lot size, which was concealed from me at the time we signed the agreement. The price would then be based on 2,6 acres at 5,5 US\$ per square foot, or approximately 620,000 US\$. If this is your preferred solution,

then please sign the corresponding amendment, to reflect the new price, after which I will pay the agreed 100,000 US\$ down payment with and the remainder in November as agreed.

Best regards

Kenneth Reece