
From: Karyna Shuliak <[REDACTED]>
Sent: Monday, April 1, 2019 4:51 PM
To: Marc.Kensington
Cc: Mark Lloyd; Alex Peto
Subject: Re: Bin Ennakhil

Dear =arc,

I sincerely appreciate your kind =response.

1. The authorities in Rabat told me the =ame thing and said they would reserve the right to charge me the =apital gains as well as the transfer tax. They said that the vendor is =trying to avoid tax and as it was I that was helping him I should pay =hat he owes. They said that many purchases happen as you suggest but =ot of such a substantial property.
2. The directors do not own the co the shareholder does, =o a change in directors is meaningless.
3. AML can be done at the last moment not the first. That is =illy. I have bought other properties and am intimately familiar with =he regulations. Your vendor transferred shares from a BVI co to a =iftung with no paperwork shown to us. The values were obviously =ncorrect. I don't know what the cost basis of the house was so it was =ifficult to gauge capital gains on profits. I could buy the property =nd loan the owner the balance on day one to be repaid over four years =s the government allows.

Thanks for =ou kindness.

Sincerely,
Karyna

On Apr 1, 2019, at 5:18 AM, =arc.Kensington <[REDACTED]> <mailto:[REDACTED]> wrote:

<=pan lang="EN-US" class="">Dear Karyna

<=pan style="font-size:11pt" class="">Please read this but my goal is not to change your decision. I hate to leave a sale process with =uch a bad feeling of the potential buyer. You are an extraordinary wise young =oman. I could be your grandfather and the owner is ten years older. This might =ave had an effect on our discussions which started about 6 weeks ago. I flew numerous times to Italy to negotiate different =oints. Agreeing the price reduction from 29 (with an additional building permit for =ospitality, still pending) to 23 (for a very quick deal).

<=pan style="font-size:11pt" class="">Following, the vendors full point of view

<=pan style="font-size:11pt" class="">The property

<=pan style="font-size:11pt" class="">You visited the property and loved this architectural masterpiece. Checking structure and roofs, as =ou mentioned, is totally right. A survey of heating, cooling, plumbing and electricity (installed with the latest Swiss technology in the early =Os) might show some updates to do even if everything is working.

<=pan style="font-size:11pt" class="">The AML

<=pan style="font-size:11pt" class="">>The AML is a pure American regulation applied worldwide fighting against money laundering. It secures vendor and buyer. The emitting and receiving banks certify that their clients are "clean".

<=pan style="font-size:11pt" class="">>Two sales failed in the last 24 months for this unique reason and the first step for the vendor and his bank was to get this AML done.

<=pan style="font-size:11pt" class="">>The Due Diligence

<=pan style="font-size:11pt" class="">>Since 1990, the property had only one owner, Pamur Anstalt. Directors of Pamur probably changed several times. Is this really important ? As a new owner, Haze Trust would also probably have changed the directors and maybe sold Pamur to another entity.

<=pan style="font-size:11pt" class="">>Taxes in Morocco

<=pan style="font-size:11pt" class="">>They are two ways to sell the property, but they can't be mixed.

<=pan style="font-size:11pt" class="">>First one: sale of the property. Pamur Anstalt has to provide the investment balance and pay the capital gain taxes (31%). The vendor rejected this option, as explained. He needs then 4 years to receive the full net amount out of Morocco.

<=pan style="font-size:11pt" class="">>Second one: Sale of the Pamur Anstalt shares in Liechtenstein. Haze Trust or any other entity is the shareholder of the Pamur Anstalt, and nothing changes in Morocco, except new directors

<=pan style="font-size:11pt" class="">>Transferring the ownership of the property to Haze Trust comes back to option 1, with payment of capital gain. Strategically this would be a financial disaster.

<=pan style="font-size:11pt" class="">>I enjoyed to exchange with you, did not play a game between two "competitors" and wish you a happy investment in Morocco.

<=pan style="font-size:11pt;line-height:107%" class="">>Yours sincerely

Marc LEON
Partner

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