

11<sup>th</sup> December 2009

**LAIKI BANK UPDATE- OLYMPIA SPA RESORT**

As previously communicated we have been waiting for Laiki Bank to finish processing the mortgage applications for our TV4/Pyla projects, before they begin assessing those for the Olympia Spa Resort. We are pleased to be able to report that this is nearing completion, with approximately 70-75% of the applications through the process.

Already the applications for the apartments have been given an initial review by the dedicated housing loan officers at the Laiki Main branch in Larnaca. A meeting was held earlier this week with the head of Department, and for those cases that have been reviewed some further information/clarification has been requested, our Mortgage Department are currently dealing with these matters. When these cases have been given approval and reached the end stage of the Bank's internal underwriting, the draft Sales Agreements submitted with the applications will need to be signed off by the Bank's Legal and Compliance.

The Bank will then advise us when to submit the applications for the rooms and suites, all Legal and compliance parties involved whether that is Laiki Bank, the Developer or Domus will be liaising to ensure that the Sales Agreement/ Power of Attorneys are prepared and approved to accommodate the Bank and protect the Investor. This is the first of its kind with regards to a Leasehold Sales Agreement within the retail sector, and therefore the timeframes and logistics involved are lengthy and complicated.

Laiki Bank will not be processing any mortgage related business from 15/12/09 and normal service does not resume until w/c 11/1/2010.

On our return in the New Year we will communicate the updated timeframes in terms of case submissions and progress to date for the others.

We are all working towards a positive outcome and want to assure you that everything is being done that is within our control to reach a satisfactory conclusion.



**Sue Wenborn- Head of Operations**