

SP. B. ZOURNATZIS
LAW OFFICE
3, VISSARIONOS STR. - ATHENS 104 72
TEL. 36 32 598 - 36 06 422
FAX 36 06 422

Dr Anton Blatter
Fax No. 00411/262 3542

Athens September 5, 1994

RE: Transfer tax

Dear Colleague

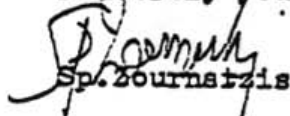
At the meeting with the tax office inspectors after their inspection of the land, the latter argued that, based on the comparative elements in their files, they estimate the taxable price at GRD 2.300.000 per 1.000 sqm and the total at GRD 1.244.000.000. Consequently for the difference between our Declaration price and the taxable one (i.e. GRD 703 MIO) the corresponding tax to be paid amounts to approx GRD 80 MIO. For your information, if we contest this estimation before the court, we will have to deposit before the hearing of the case the 20% of the above differential tax (i.e. GRD 16 MIO) provided by the law as counterincentive against unbased recourses. But at the end of the litigation and the final determination of the price by the court, the corresponding differential tax, if any, is surcharged by 75% as penalty for "incorrect declaration".

However from the same source I was offered another approach of the issue, according to which the price might be estimated at GRD 1.400.000 per 1,000 sqm and the total at GRD 757 MIO. Consequently the corresponding tax on the difference in price (i.e. 216 MIO) amounts to GRD 24 MIO approx. But understandably, this evidently favorable for us final closing of the tax file has a "special cost", amounting to approx GRD 8 MIO. If you can accept this offer, you are invited to come to Kato Achaia before coming Friday September 9 to settle in person the "special cost" and take a term of two months for the payment of the above differential tax of GRD 24 MIO.

Please note that I am supposed to accept or not the "offer" by phone until coming Wednesday September 7 at the latest.

In anticipation of your instructions

Sincerely yours


Sp. Zournatzis