

NO.43 BERKELEY SQUARE
MAYFAIR | LONDON | W1J 5AP



MARCH 2019 UPDATE

Dear Investor

It seems that I always start off by apologising for the lateness of the report and this introduction is no exception. I understand the frustration that many of you have directly expressed and apologise if this delay in reporting has caused you worry and concern.

You will be familiar with many of the disputes and difficulties experienced with the management of this portfolio since taking it off Right Buy Properties in 2014 upon discovery of the mismanagement and fraud undertaken by RBP and associated companies. In Feb 2016 you will recall that I reported that we had won the court case and had been awarded a significant judgment, which remains uncollected, as RBP did not have the means to repay the money.

The following 18 months saw numerous other court battles with third parties in differing States across the USA that had entered into various agreements with RBP and effectively locked the title to the properties preventing clean title sale. I have reported in some detail to you in previous reports concerning this.

Title issues and the huge debt with property Taxes liens and fines inherited by RBP, underperformance of all of the property management companies, very poor property conditions due to the extended vacant period, squatters, property damage and new enforcement regulations added to the complexities of attempts to stabilise this portfolio.

Investors had been asking quite rightly for accounting which I have been unable to supply as I have not been able to find a CPA that will put their name to the accounts because of the fraud and legal issues facing the companies that required reporting.

Various property professionals from the local markets have been involved at different strategies in further attempts to turn around the constant deficit of taxes liens and fines.

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The end result is that most of the portfolio now has been sold or allowed to tax foreclose due to its condition, location, value and debt owed on that particular property.

Through each and every key decision and for EVERY property sale a lawyer appropriate to the state the property was located and presided ensuring fair value and good process was adhered to.

During the last few months entities related to the Exit Strategy have been providing information to the Securities Exchange Commission (SEC). This has been a civil enquiry and believed to be born from an enquiry into one of the property managers and project consultants we engaged to run the day-to-day operations. Namely G-Slow Mr. George Slowinsky.

It is my understanding that this enquiry stems from a company called Equity Build Inc. where the owners are Jerry and Sean COHEN. George Slowinsky was tied to them in another company they jointly owned through which there were some financial irregularities. Lee Smith and I are not members of or shareholders of any company involving the COHENS.

The provision of documentation to the SEC has been centered on Exit Strategy related entities and through our lawyers we have provided huge amounts of information and documentation to assist with this enquiry, over several months.

The investigation, as I understand it, is ongoing so I do not wish at this stage to disclose further detail in the event this could jeopardize the enquiry in some way. I will provide further information as and when I am able to.

At this present time I am restructuring the remaining resources and consulting with some investment funds to once again try and come up with a workable solution to at least return a fair proportion of investors' funds over a defined period of time.

A new strategy is necessary due to the previously described problems with managing and operating this portfolio and is worth every effort in pursuing, which I am doing to your benefit.

I have been working with representatives from The American Residential Opportunity Fund, LLC, (AROF) a Delaware Limited Liability Company, under control of Helix Homes America, LLC, (HHA). The Manager has agreed to offer to the Exit

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Strategy entities and their respective Members and investors, a preferred treatment fund offering.

AROF by and through its Manager Helix Homes America maintains a substantial credit facility dedicated to Single Family Residential (SFR) acquisitions in certain preferred United States markets. AROF is willing to establish a private fund for benefit of the Exit Strategy et al (ES) Members and investors. To this end, AROF will commit an initial \$10,000,000 USD toward new acquisitions for this fund for participating Members and investors; the AROF commitment could expand up to \$100,000,000 USD.

Profit allocation through the trading of the AROF will be paid back to investors. I will continue to work through this option and will report progress on this back to you in more detail in the next report.

I know that this report will far from satisfy many investors and some will feel this report is full of blame and excuses which sincerely is not the case, neither is this report intended to deflect away from the core issue, which is regularly stated to me by investors "when can I have my money back"?

Many investors have made a successful claim through the Financial Services Compensation Scheme (FSCS) in relation to their investment in the company and we are currently consolidating the position regarding this. In this instance the FSCS takes over the position that Investors held. Investors cannot be paid out in addition to a successful claim.

I would ask that you are patient for a further three months whilst I work out if the current funding option and other strategies will indeed deliver the answer to the question above.

My next report to you will be delivered on time on or before the end of June 2019.

Kindest regards,

Steve Wright
Real Estate Investments USA Plc