

November 30, 2011

Nicholas L. Ribs
Resorts International Hotels
600 Madison Avenue
New York, NY 10021

Dear Nick,

Attached please find the draft executive summary of CEC Iceland, a draft partnership contract and the details of the initial acquisition presented to the Iceland Enterprise Fund from CEC, LP. As per our conversation, due to my health situation, at present I am not in any shape to pursue this and your close connections with Colony Capital and Tom Barrack should make this an extremely easy profitable close for all concerned.

The CEC group in Iceland has a pedigree that includes top positions with the EIF, Central Bank and the Ministry of Finance – but they are basically lobbyist for CEC. They have been in constant communications with the three largest pension funds in Iceland putting this deal together. If Colony is interested, and there is no reason they shouldn't be interested in a potential billion-dollar management contract, CEC Iceland will be at yours and their disposal to close this out. I have since sourced the \$50,000,000 co investment, if we need to do this alone. Make the best deal you can for us, but don't sign off on anything until we communicate – no handshake deals.

Current Status of Enterprise Investment Fund (EIF) – The EIF is the quasi-private equity group managing the investments of the 18 pension funds in Iceland. The EIF presently manages and advises assets of approximately \$20 billion in total, out of which approximately \$4.5 billion is in foreign assets outside of Iceland. The pension funds have some \$4.5 billion USD in mutual funds and private equity funds abroad. Most is through London, and through US investment bank branches in London, like Morgan Stanley. Probably more than 50% is in US bonds and stocks. The three largest pension funds hold approximately 75% of the total \$20 billion. Up until a few years ago the pension funds were allowed to invest only 35% of their total assets outside of Iceland – this has been revised recently and they are now allowed to invest up to 50% of their total assets outside of Iceland. Thus, based on their present total assets of \$20 billion- their foreign assets

could go up to \$10 billion outside of Iceland e.g. an increase \$5.5 billion from the present \$4.5 billion.

The collective monthly income of the pension funds is approximately \$86,000,000. They are flush with cash with no experienced and qualified group to guide them.

Due to the limited investment opportunities in Iceland, the pension funds are very much interested in finding strategies to invest off shore. However, due to the cross currency controls the pension funds cannot legally invest funds in offshore investments. It is for this reason they are currently targeting companies within Iceland that has a global footprint, or at least a footprint where revenue can be generated outside of Iceland.

Name of Pension Fund	Assets - August 31, 2011		Hlutfallsleg skipting í %	ISK/USD	Total Assets
	ISK	USD		115,05	2.019.000.000.000
Lsj. Verzlunarmanna Commerce & Trade	327.683.700.000	2.848.185.137	16,23%		
Gildi - lífeyrissjóður Fishery & Seamen Pension	254.797.800.000	2.214.670.143	12,62%		
Stapi lífeyrissjóður Fishery & Seamen Pension	115.284.900.000	1.002.041.721	5,71%		
Sameinaði lífeyrissjóðurinn Independent professionals	111.448.800.000	968.698.827	5,52%		
Almenn lífeyrissjóðurinn Indipendant professionals	104.382.300.000	907.277.705	5,17%		

The EIF is also looking for a Private Equity Group to not only manage pension fund accounts, but to mentor, partner or even replace the "less than sophisticated" EIF, growing it into a world-class functioning Private Equity Group. It is also looking for the partnering group to create investment opportunities within Iceland. Initially they requested that the mentoring group have skin in the game to the tune of \$50,000,000 to their \$500,000,000. I believe this is just a comfort level request because CEC is not widely known. The \$500,000,000 management could lead to the successful group managing much more, especially if they can figure a work around for off shore investing for the fund.



Attached is a portfolio of properties the three largest pension funds are looking to acquire. These properties while headquartered in Iceland have a global footprint in revenue. The pension funds are looking to acquire this asset from the bank and CEC has already structured this deal and is in place for the initial co-investment transaction with the pension fund. I am confident if Colony will co-invest or maybe even advise on this acquisition they will be in a great space to manage the assets of the three largest pension funds.

Horn, the company to be acquired, while headquartered in Iceland, operates in US and sells all its products outside Iceland thereby CEC and the pension funds will appreciate liquid offshore revenue not locked by the cross currency controls. We are going to schedule for a meeting to pursue this transaction, and finalize a management deal before the Holidays. Hopefully Colony can attend.

If you need my help or advice or communication CEC in Iceland, just let me know and I will make myself available until the first of the New Year.

Good Luck and thanks again for all your help,

Best,

COMPANY

For and on behalf of CEC LP

By:

Print Name: Thomas Justice

Title: Managing Partner