



Almancil, 15 October 2019

Dear Owner,

Following the handover of The Crest's infrastructures' to the Municipality of Loulé, and the incorporation of The Crest's Owners' Association (the "Association"), we believe that this is the ideal moment to assess the past five years of The Crest's management by Quinta do Vale - Empreendimentos Turísticos, S.A., promotor of The Crest, under the Discovery Fund's management ("QDV").

QDV is currently the owner of 45 real estate properties at The Crest, having sold five properties since 2015.

At the present date, the abovementioned 45 properties are divided by the following areas of business:

- Touristic exploration (23),
- Medium-term leases (4),
- Completion and decoration phase (available for touristic exploration in May 2020) (14),
- Incomplete and with construction works halted (2),
- Available for sale (1),
- Services (1).

As demonstrated above, QDV's strategy at the time is not one of short-term, with the goal of building and selling properties, but rather a medium-term strategy, under which the properties are built, decorated and put up for touristic exploration.

Consequently, QDV's commitment towards The Crest's quality standards is significant. Such commitment may also be verifiable by QDV's annual contribution to The Crest's common areas, which have recently become public areas.

QDV's current management has rigorously fulfilled all proposed commitments with The Crest's current Owners and with the public entities by handing over all of The Crest's infrastructures (roads, sidewalks, gardens, sewage elevation central, sewage system, water system and public lighting system) to the Municipality of Loulé, as foreseen in The Crest's permit.

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All QDV's actions and decisions with reference to The Crest have had the fulfilment of its obligations towards the Owners and public entities as main purpose, as well as the preservation of The Crest's quality and the appreciation of its real estate properties.

With these objectives in mind, the management has carried out the following actions:

- Rehabilitation of the road.
- Implementation of all mandatory road signage, as foreseen in The Crest's project.
- Construction of a grassland in The Crest's western part.
- Plantation of an oleander hedge and implementation of an irrigation system in The Crest's western part.
- Rehabilitation and maintenance of the public areas' gardens.
- Cleaning and maintenance of the roads and sidewalks.
- Cleaning and maintenance of the sewage system, including the elevation central.
- Cleaning and maintenance of the garbage areas.
- Cleaning and maintenance of the directional signage.
- Execution of a plague prevention agreement.
- Renewal of the CCTV's system.
- Execution of an agreement for the surveillance / passive and active security with IBC.
- High quality finishings in the construction of approximately 30 real estate properties.
- Decoration of 23 properties signed by the interior designer Isabel Pires de Lima (it is foreseen that an additional 14 properties shall be decorated by the same interior designer in May 2020).
- Hiring of a certified company to ensure the quality of the swimming pools' water in plot 31 (Condominium).
- Exterior painting of all properties in plot 31 (Condominium).
- Partial renewal of the public lighting in plot 31's garden (Condominium).

In much of what has been done, particularly in the common areas, The Crest's management has had the privilege of having the support of most of the Owners, who have contributed, in proportion of their percentage, for the costs of these areas, allowing them to have the current appearance of which all Owners are proud of.

Upon the handover of The Crest's infrastructures to the Municipality of Loulé, QDV's responsibility over the common areas has ceased. These areas are now under public municipal domain, and the responsibility for their maintenance is now entrusted to the Municipality of Loulé. Among other repercussions, this means that The Crest's Owners no longer control the quality of the common gardens and the surveillance of the surroundings.

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Knowing that the Municipality of Loulé does not have the necessary structure and is not in a position to keep up with the level of services that the Owners are used to at The Crest, The Crest's administration proposed the incorporation of the Association, an entity that shall gather all of The Crest's Owners so that it may represent the Owners' general interest before all entities that provide services at The Crest (for example, IBC) and before the public entities responsible for the spaces that all Owners enjoy.

Considering all the work and investment done so far, The Crest's administration understands that allowing the deterioration of the quality of the services provided for at The Crest would be an immense misuse of resources. Therefore, the Association has the immediate challenge of negotiating a protocol with the Municipality of Loulé that foresees the following:

- The maintenance of the public areas' gardens by the Association and, on the other hand, the assumption of all costs with the irrigation water of these spaces by the Municipality of Loulé.
- The maintenance of the gate or another equipment that allows the control of the entrance of vehicles, especially at night.
- The execution of an agreement with IBC (or another company) regarding the surveillance / security services currently in place.

Given the importance and responsibility that these challenges entail, it is of the utmost importance that all Owners become associates of the Association, so that it may not only count with as much representation as possible, but also that, for a matter of justice, all Owners share the expenses and liabilities in the same way as they benefit from the services, quality and security provided for at The Crest.

No one better than the Owners to look after their own interests and thus maintain the quality of Our The Crest (of all its Owners).

Kind regards,

On behalf of **Quinta do Vale - Empreendimentos Turísticos, S.A.**,

Daniel Gama