

January 27, 2016

Attn: Nohema Giralt

PRCCDA Legal Counsel

Cc: Secretaria Grace Santana

La Fortaleza, San Juan

Re: Rescind Termination and Cease and Desist Letters

Dear Ms. Giralt,

Hope all is well. I was looking forward to meeting on Monday morning, as previously coordinated to address very important points with you. Unfortunately, your office cancelled the meeting that same morning, without a proposed date for rescheduling, other than suggesting sometime next week. I presented myself with the best of intentions and continue to make myself available, so that we can find a common ground and move forward in peace, however my business requires that I travel regularly, not to mention the fact that I stand to lose $125k in revenues each month at this stage of development, so I will share my thoughts below instead.

Can you please tell me who makes decisions regarding my contract?

Can you please tell me why I have not been given an opportunity to explain my position during this process, other than having to hire legal counsel and henceforth receive no response from the authority, other than demeaning and altogether worthless reminders of your position?

I stand firmly against your commitment to illegally terminate my contract. I was very clear about my position with Victor Suarez and this has not changed. There are obviously legal questions to be answered, when considering the changing of the facility locks, without notice, sometime after the very successful Club Nautico Christmas parade.

What I find especially interesting is that you issued a key to my tenant, so that he can continue to operate from the facility that I have a valid contract for and pay insurance to cover, in the event of an accident.

Once again, I refer to the illegality of your actions by presenting a cease & desist letter, for no valid reason, during the holidays, at a time when government offices and officials are not accessible, after receiving legal documents from my attorney, stating a position that clearly outlines the flaws in your arguments and the validity of our contract.

I would like to be perfectly clear, so that there are no misunderstandings here. I have no political affiliation in Puerto Rico.  I am an American businessman, who saw an opportunity locally, negotiated for over a year with the authority to arrive at the current, valid contract. That being said, I will defend the pier 6 contract with every resource available and allowable by society and law.

**I respectfully request that both the termination and cease and desist actions be rescinded immediately!**

I am open to reasonable offers. If for some reason the authority needs the Pier 6 location for another purpose, I would consider an alternate location within San Juan Bay with adequate access to Old San Juan with the ability to meet the same contract provisions and ability to offer water tour, water taxi and seaplane services, concurrently, from one location.  I am willing to amend the contract to pay the 5% rental fee that Victor & I discussed previously, and by so doing, we would amend the contract for the remaining 12 years with no need for further fee negotiations during the remaining term.

By my calculations, if the business were allowed to evolve as envisioned and agreed, at this rate the authority stands to gain in excess of $1.1MM for rent during the remaining term of the contract, and the government of Puerto Rico stands to gain an additional $2.6MM in sales tax revenue.  This does not include the additional benefits associated with a workforce that will exceed 50 employees by 2025.

Another option is a buyout settlement.  I'm willing to entertain a reasonable buyout based on my personal anticipated gain of more than $20MM during the life of the contract. I understand that there are circumstances that require dialogues and negotiations in business.  Unfortunately, this has never happened between us.

Instead, since April 2013, you have interfered with my business and I have suffered losses that exceed millions of dollars in gross revenues by now.

We're all losing money here, which makes no logical sense, nor could your acts pass any test of being reasonable or considered acts of good faith, when an American entrepreneur, such as myself has a valid contract in place, in a US commonwealth.

Please recall that this is a valid US contract, which was negotiated fairly for over 1 year with the governing authority, and yet you are forcing me to interrupt my operations for what amounts to almost three years now, all part of an illegal termination process that is politically inspired, in an American commonwealth, such as Puerto Rico.

I was going out on a limb, going to your office yesterday alone to find a peaceful path, willing to present payments in full, all of which you have rejected after cashing ALL payments I furnished during the time that you allege that I did not provide services.

If you feel that this is cut and dry and that only one answer will suffice (that being your termination response), then please consider this letter a 24-hour notice.

At 5 pm tomorrow, January 28, 2016, if you have not provided me with an adequate and reasonable solution, I will be forced to start breaking this down, piece by piece, so that the appropriate US citizens, locally and abroad can make up their own minds, as to why a legitimate contract cannot be enjoyed by an American citizen in an American commonwealth.

I believe this will speak volumes to those Act 20/22 initiates considering investments in this island paradise.

**I respectfully request that both the termination and cease and desist actions be rescinded immediately!**

Please feel free to contact me at your convenience.

Sincerely,

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Zoltan Cantillo

President

SIPPR, Inc.