

6.6 The Developers shall liaise with BTC to enable BTC to determine its telecommunications requirements and to ensure that BTC fully understands so that the services can be provided within an agreed and acceptable time frame.

6.7 The Government will permit the Developers (at their own expense) to extend the existing road that leads to the Settlement on Great Guana Cay so as to connect with the Southeastern boundary of the Development site. The Government shall assist in obtaining the right of way to make said connection. The Government will also permit the Developers (at their own expense) to establish and pave roads located on the Remaining Treasury Land to provide unfettered access to the beach, and leading from the Logistics and Transfer Dock (as hereinafter defined), the Solid Waste Disposal Facility and Sewerage Facility to the Development. Any such roads shall be built in accordance with the standards specified by the Ministry of Public Works and shall be public roads and maintained by the Government. To the extent any such roads extend into the Crown Land or the Private Land, such portion of the road shall be privately owned and

maintained by the Developer. The Government shall grant a temporary construction easement to Developer in order to complete the construction as described above.

6.8 The Government will facilitate on an accelerated basis all necessary approvals, permits, agreements, licenses and concessions hereinbefore and hereinafter requested and required by the Developers and each of them as may be appropriate in connection with the completion, operation and maintenance of the Development including (but not limited to) the following:

- (a) Approval from the Investments Board for the issue to the Developers and each of them of a Permit under the provisions of The International Persons Landholding Act, to acquire the Development site;
- (b) All necessary approvals required by the Developers and each of them in connection with the Development and sale of lots/membership therein;
- (c) Execution of the Lease Agreements and the proposed Franchise Agreement;

- (d) Approval from the Ministry of Public Works for the Developers to lay out the Development site in accordance with the intended development and plans thereof as a subdivision under the provisions of the Private Roads and Subdivisions (Out Islands) Act, (as amended) and to permit the Developer to enter into a Bond under the provisions of the said Act to allow for the prior sale of lots in the intended Development;
- (e) Approval under the provisions of the Conservation and Protection of the Physical Landscape of The Bahamas Act, and any other relevant/applicable Acts for the dredging and landfill operations required in connection with the development of the Development site including the Marina;
- (f) Approval under the Immigration Act for the grant of all necessary / requisite work permits for essential non-Bahamian personnel on the basis hereinbefore mentioned;
- (g) Approval from the applicable governmental agency with respect to the existence and location of the Moorings, docks and marinas;
- (h) Grant of a licence to operate a hotel under the Hotel Licence Act, a hotel and restaurant licence under the Liquor Licence Act, marina/dock licenses (including fueling station licenses), which

said facilities are for the use of guests of the hotel / inn / villas, club members and their invited/permitted guests only; and

- (i) and all such other. approvals, permits, agreements, licenses and concessions as may be required by the Developers for the purposes of the Development.

6.9 The Government will lease to Passerine a suitable piece of land at the Treasure Cay Airport on which Passerine shall construct tie-downs and a hangar(s) for owners of property in the Development and their private aircraft on terms to be agreed including the renewal thereof.

6.10 Upon the approval of all relevant government agencies, the Developers shall, be allowed to construct on/at the Development site a ramp and other facilities to provide for the embarkation and disembarkation of international passengers to and from the Development site by sea plane; and further, the Government shall, at the request of the Developers, give favourable consideration on such terms and conditions as it shall deem appropriate, to cause Immigration and Customs personnel to be present at the Development site to process such passengers on their entry into the said

Commonwealth and to the designation of a port of entry at the Development **PROVIDED THAT** the foregoing shall be subject to the prior approvals of and in consultation with the Ministry of Transport and Aviation, the Airport Authority, the Ministry of National Security, The Royal Bahamas Police Force, the Ministry of Health and the Customs and Immigrations Departments. It being understood that the Developers shall meet all costs connected therewith in the provision of customs and immigration and security and related services.

6.11 The Government will facilitate permission for the Developers to extract (dredge), without charge, only that sand necessary for the Development from the Private Land or the Crown Land covered by the Marina Lease, with it being understood that in no event shall Developers have the right to sell any such sand.

6.12 The Government shall subject to the completion of required applications and meeting the requirements of relevant government agencies including the BEST Commission and the Ministry of

Transport and Aviation cause approvals to be granted to the Developers to:

- (a) Construct a dock on that part of the Private Land described as Gumelemie Cay for use by approximately Eight (8) lot owners thereon;
 - (b) Renovate / replace / relocate the existing dock on that part of the Private Land known as Bakers Bay;
 - (c) Construct a dock in close proximity to and for the use of the beach club in the Development; and
 - (d) Construct a dock ("the Logistics and Transfer Dock") on a portion of on the Remaining Treasury Land on the Sea of Abaco adjacent to the Leased Treasury Land to be used as a logistics and transfer dock for the benefit of the entire Island of Abaco.
- The Government shall grant a temporary construction easement to Developers in order to complete such construction.

7. ACKNOWLEDGEMENT OF THE UNIQUE AND SPECIAL CHARACTERISTICS OF THE DEVELOPMENT

7.1 (1) The Government acknowledges that the nature of the Development renders it necessary that the Development be operated and maintained primarily as a first class private members club and that the hotel / inn / villas, the Golf Course, Clubhouse, Restaurants, Bars and other facilities and amenities are intended for the use and enjoyment of guests of the hotel / inn / villa guests, club members and such members' guests/invitees only. Membership in the club shall be available to persons from all over the world including The Bahamas. The general public shall have access to the facilities if they are guests of the hotel;

(2) The Golf Course may be used from time to time for scheduled periods by members of The Bahamas Golf Federation and by the Foundation subject to availability and subject also to prior arrangement. The Developers reserve the right to suspend or terminate the foregoing privileges if the same is abused.

7.2. It is hereby acknowledged that in accordance with the National Investment Policy, all retail stores and facilities, scuba diving, fishing

and other water sports and related recreational and entertainment facilities within the Development will be operated exclusively by Bahamians on a concessionary basis.

8. **FORCE MAJEURE/UNFORESEEN EVENTS AND DELAYS**

- 8.1 Force Majeure. If for any reason outside the control of either party to this Agreement, including, without limitation, such events as war, industrial action, hurricanes, floods, Acts of God, terrorist activities, travel advisories affecting travel to The Bahamas, freight embargoes, civil commotion, any unforeseen difficulty or delay in obtaining labour and material or any significant adverse change in economic conditions or in the financial markets of the United States of America, or any significant decrease or disruption in airlift to The Bahamas, any provision of this Agreement cannot be performed or fulfilled, then, to the extent any such condition effectively delays Developers' works, the Developer shall be excused from so performing, and the incentives granted pursuant to this Agreement shall be extended for a reasonable period of time.

8.2. In addition, in the event that any Developer experiences undue delays or failure by Customs, or any other relevant Governmental agency in the grant of permissions or approvals, such Developer shall notify the Government in writing of such delays and the Government shall take appropriate action to expedite the issuance of such delayed permissions or approvals.

8.3. In the event that the Developers shall fail to complete the Development within the completion period (as extended in accordance with the foregoing provisions or otherwise), the Government shall have the right, after consultation with the Developers, to reduce/withdraw on a proportionate basis, the concessions exemptions and benefits granted to and enjoyed by the Developer in respect to those parts or phases of the Development that shall not have been completed having regard to (i) a comparative analysis of those parts or phases of the Development that have been completed; and (ii) the impact and effect which any such reduction is likely to have on the future viability and existence of those parts and phases of the Development which have been completed.

9. **OTHER GOVERNMENT ACTION**

The parties hereto acknowledge and agree that it is not the intent of this Heads of Agreement to preclude the Developers from availing themselves of any subsequent Government legislation, regulation, orders, policies or positions which are or may be more favorable to the Developers than the terms of this Heads of Agreement.

10. **MUTUAL WARRANTY**

Each of the parties hereto warrants its power and authority to enter into this Heads of Agreement and further that the terms and conditions of this Heads of Agreement shall be enforceable in accordance with such said terms and conditions.

11. **SEVERANCE**

If any provision of this Heads of Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable the parties hereto shall amend that provision in such reasonable manner as achieves the intention of the parties hereto without illegality.

12. **HEADINGS**

Headings contained in this Heads of Agreement are for reference purposes only and shall not be deemed to be any indication of the meaning of the clauses to which they relate.

13. **AMENDMENT**

This Agreement may be amended from time to time by means of supplemental agreements(s) in writing signed by the parties hereto.

14. **COUNTERPARTS**

These Heads of Agreement may be executed in any number of counterparts each of which counterpart when so executed and delivered shall be deemed to be an

original and all of which counterparts taken together shall constitute one and the same Heads of Agreement.

15. **NOTICES**

Any notice which is required to be served hereunder or otherwise shall be served on the Developer by delivery to the law offices of both Graham, Thompson & Co., Sassoon House, Shirley St. and Victoria Ave., P.O. Box N-272, Nassau, New Providence, The Bahamas (att: Michelle M. Pindling-Sands) and to the law offices of Frederik F. Gottlieb & Co., P. O. Box AB-20405, Bay Street, Marsh Harbour, Abaco, The Bahamas (att: Frederik Gottlieb) and shall be served on the Government by delivery to the Ministry of Financial Services & Investments, Goodman's Bay Corporate Centre, West Bay Street, Nassau, The Bahamas, attention: Permanent Secretary.

16. **ENTIRE AGREEMENT**

Save for approvals previously issued by The Bahamas Investment Authority, and any other department or agency of the Government, this Agreement sets forth the entire agreement between the Government and the Developers relating to the Development and all subject matter herein and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties.

17. **ASSIGNMENT**

This Agreement shall not be assignable wholly or in part by the Developers without the prior written consent of the Government (such consent not to be unreasonably withheld).

18. **GOVERNING LAW AND JURISDICTION**

This Heads of Agreement shall be governed by and construed in accordance with the laws of The Bahamas and the parties hereto irrevocably submit to the exclusive jurisdiction of the courts of The Bahamas.

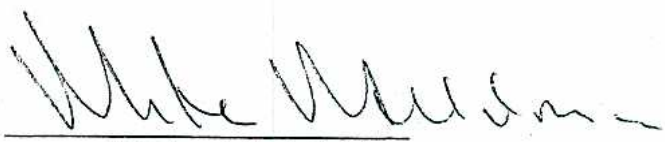
**THE GOVERNMENT OF THE
COMMONWEALTH OF THE BAHAMAS**

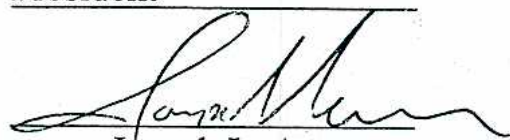
By: 

Wendell Major, CMG


The Secretary To The Cabinet/Secretary to the
National Economic Council

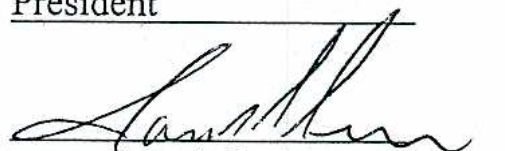
Witness: 

By: 
Name: Michael S. Meldman
Title: President


By: 
Name: Joseph L. Arenson
Title: Director

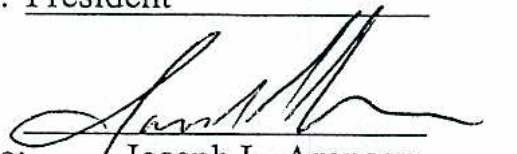
BAKER'S BAY HOA LIMITED

By: 
Name: Michael S. Meldman
Title: President

By: 
Name: Joseph L. Arenson
Title: Director

BAKER'S BAY FOUNDATION LIMITED

By: 
Name: Michael S. Meldman
Title: President

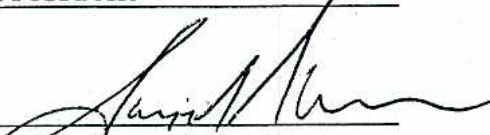
By: 
Name: Joseph L. Arenson
Title: Director

BAKER'S BAY MARINA LIMITED

By: 

Name: Michael S. Meldman

Title: President

By: 

Name: Joseph L. Arenson

Title: Director





THE FIRST SCHEDULE HEREINBEFORE REFERRED TO
("the Private Land")

First: **ALL THAT** Islet of Cay known as "Gumelemie Cay" situate immediately to the Northwest of the Island of Great Guana Cay one of the Abaco Chain of Cays in the said Commonwealth and which said Islet of Cay has such position boundaries shape marks and dimensions as are shown on the plan annexed hereto and marked "Plan A" and is thereon coloured Red.

Secondly: **ALL THOSE** contiguous pieces parcels or tracts of land together containing Four hundred and Fifty (450) acres of land (more or less) and which comprises a portion of the Northwestern end of the said island of Great Guana Cay which said pieces parcels or tracts of land have such positions boundaries shape marks and dimensions as are shown on the plan annexed hereto and marked "Plan B" and are thereon coloured Red.

THE SECOND SCHEDULE HEREINBEFORE REFERRED TO

("the Crown Land")


ALL THAT piece parcel or tract of land containing 105 acres (more or less) comprising a portion of the Northwestern end of the said island of Great Guana Cay which said piece parcel or tract of land has such position boundaries shape marks and dimensions as are shown on the plan annexed hereto and marked "Plan "C" and is thereon coloured Yellow.

THE THIRD SCHEDULE HEREINBEFORE REFERRED TO

("the Treasury Land")

ALL THOSE two contiguous pieces parcels or tracts of land situate immediately Southeast and contiguous to the Land secondly described in the First Schedule above which said pieces parcels or tracts of land have such positions boundaries shapes marks and dimensions as are shown on the plan annexed hereto and marked "Plan D" and are thereon coloured Blue.

EXHIBIT A
GENERAL DEVELOPMENT PLAN

 629810.22 3/1/2005

RPD

HEADS OF AGREEMENT AREAS



A) PRIVATE LAND - GUMELEMIE CAY



B) PRIVATE LAND -
NORTHWESTERN GREAT GUANA CAY

C) CROWN LAND



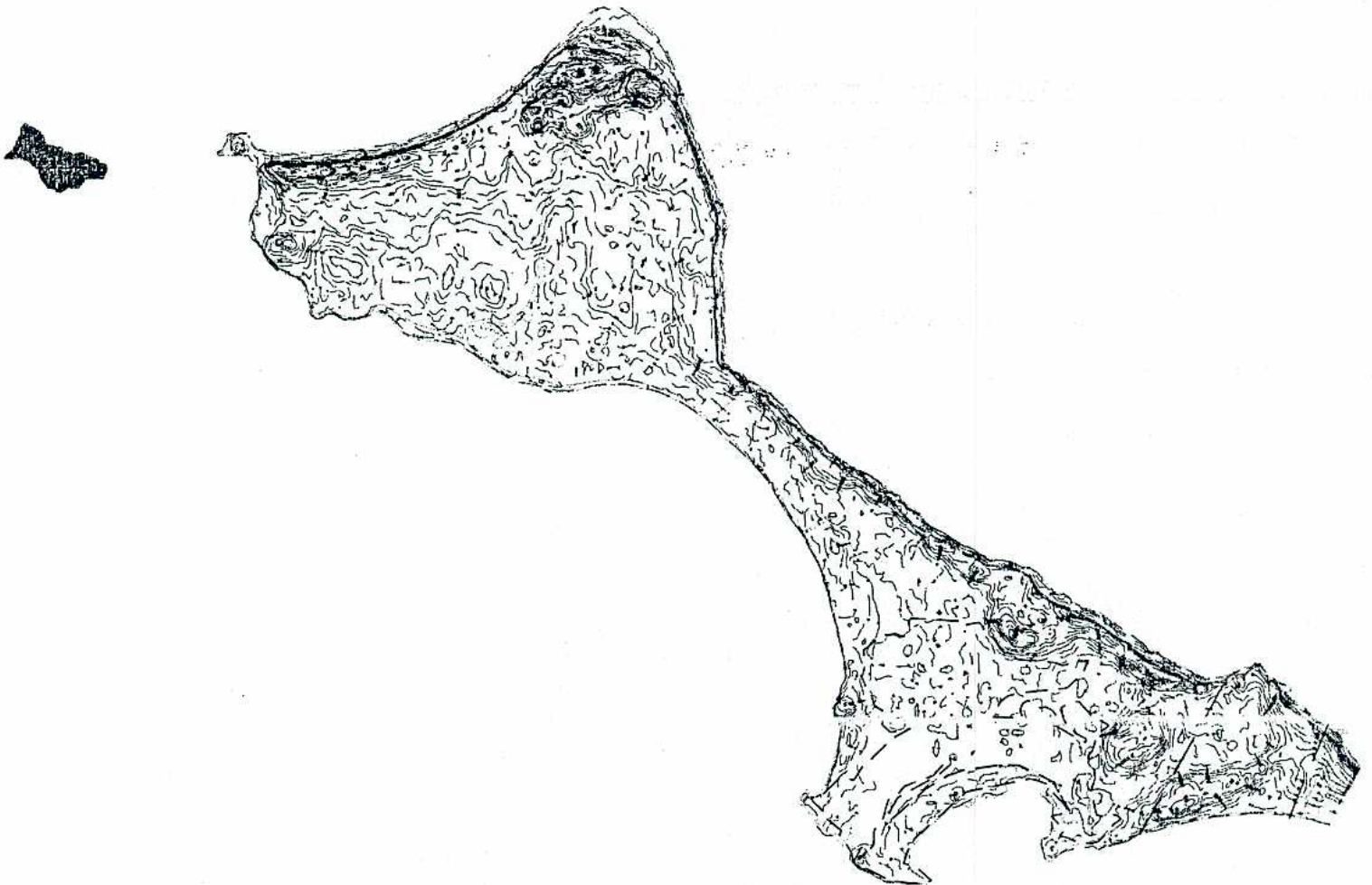
D) TREASURY LAND



E) PUBLIC LAND TO FOUNDATION



F) FOUNDATION PRESERVE



AREA DESIGNATION MAP

PLAN A -

FEBRUARY 16, 2004

PRIVATE LAND - GUMELEMIE CAY

PASSERINE AT ABACO

Great Guana Cay, Bahamas

RPS

HEADS OF AGREEMENT AREAS



A) PRIVATE LAND - GUMELEMIE CAY



B) PRIVATE LAND -
NORTHWESTERN GREAT GUANA CAY

C) CROWN LAND



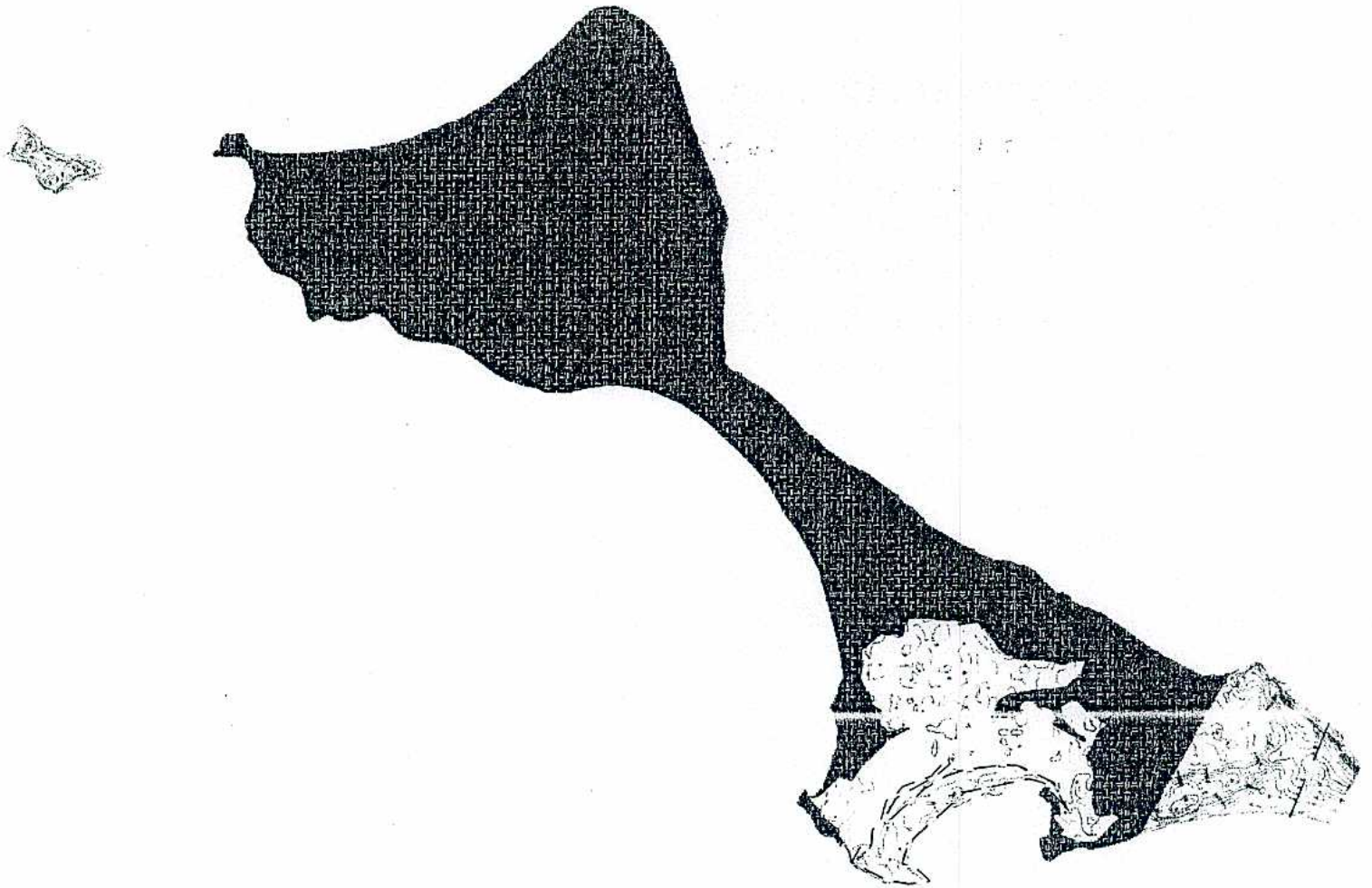
D) TREASURY LAND



E) PUBLIC LAND TO FOUNDATION



F) FOUNDATION PRESERVE



AREA DESIGNATION MAP

PLAN B -

FEBRUARY 16, 2004

PRIVATE LAND -

NORTHWESTERN GREAT GUANA CAY

PASSERINE AT ABACO

Great Guana Cay, Bahamas

RPB

3/11

HEADS OF AGREEMENT AREAS



A) PRIVATE LAND

B) CROWNLAND



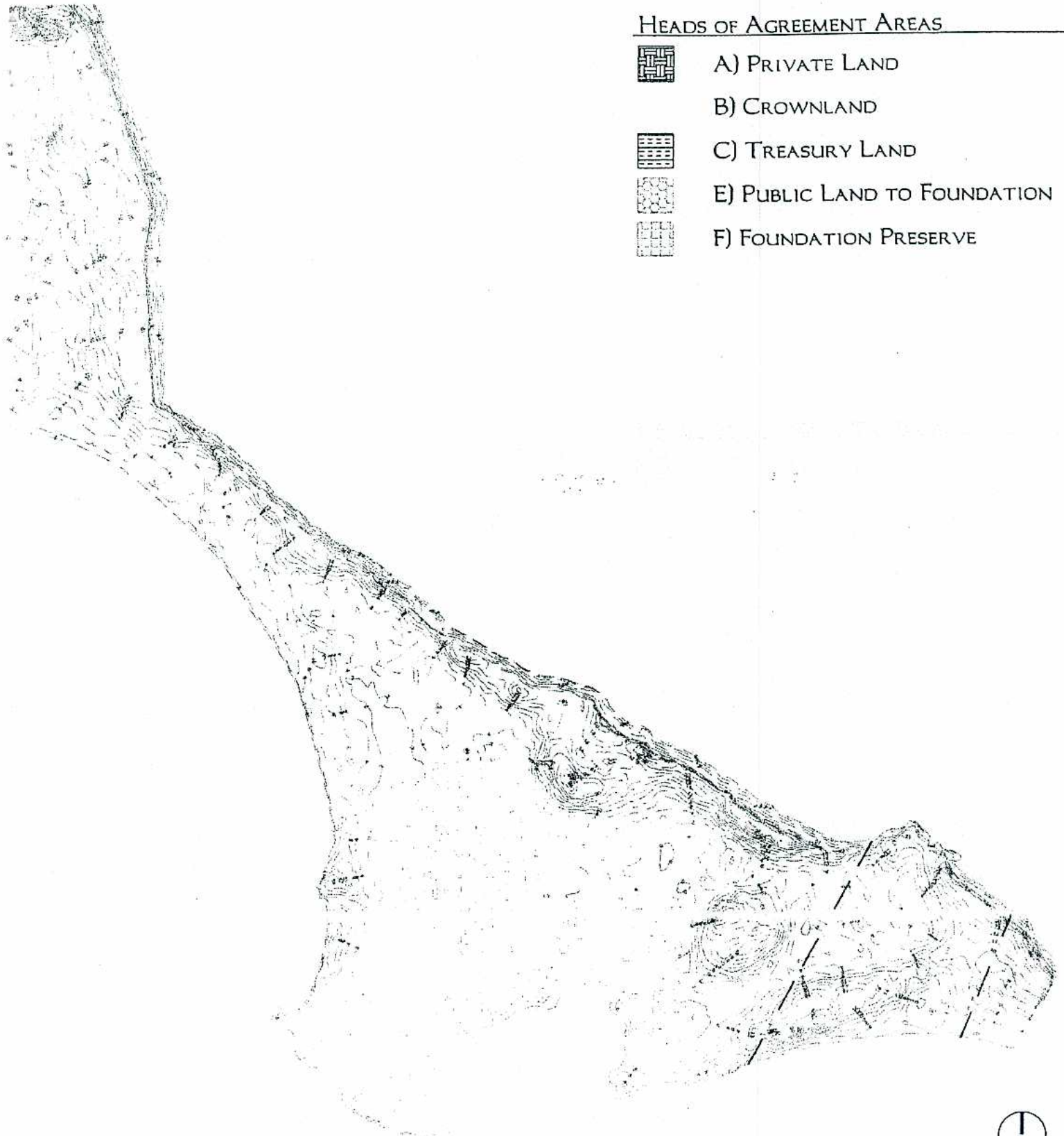
C) TREASURY LAND



E) PUBLIC LAND TO FOUNDATION



F) FOUNDATION PRESERVE



AREA DESIGNATION MAP

CROWNLAND

FEBRUARY 16, 2004

PLAN "C"

PASSERINE AT ABACO

Great Guana Cay, Bahamas

RPS

304

HEADS OF AGREEMENT AREAS



A) PRIVATE LAND - GUMELEMIE CAY



B) PRIVATE LAND -
NORTHWESTERN GREAT GUANA CAY

C) CROWN LAND



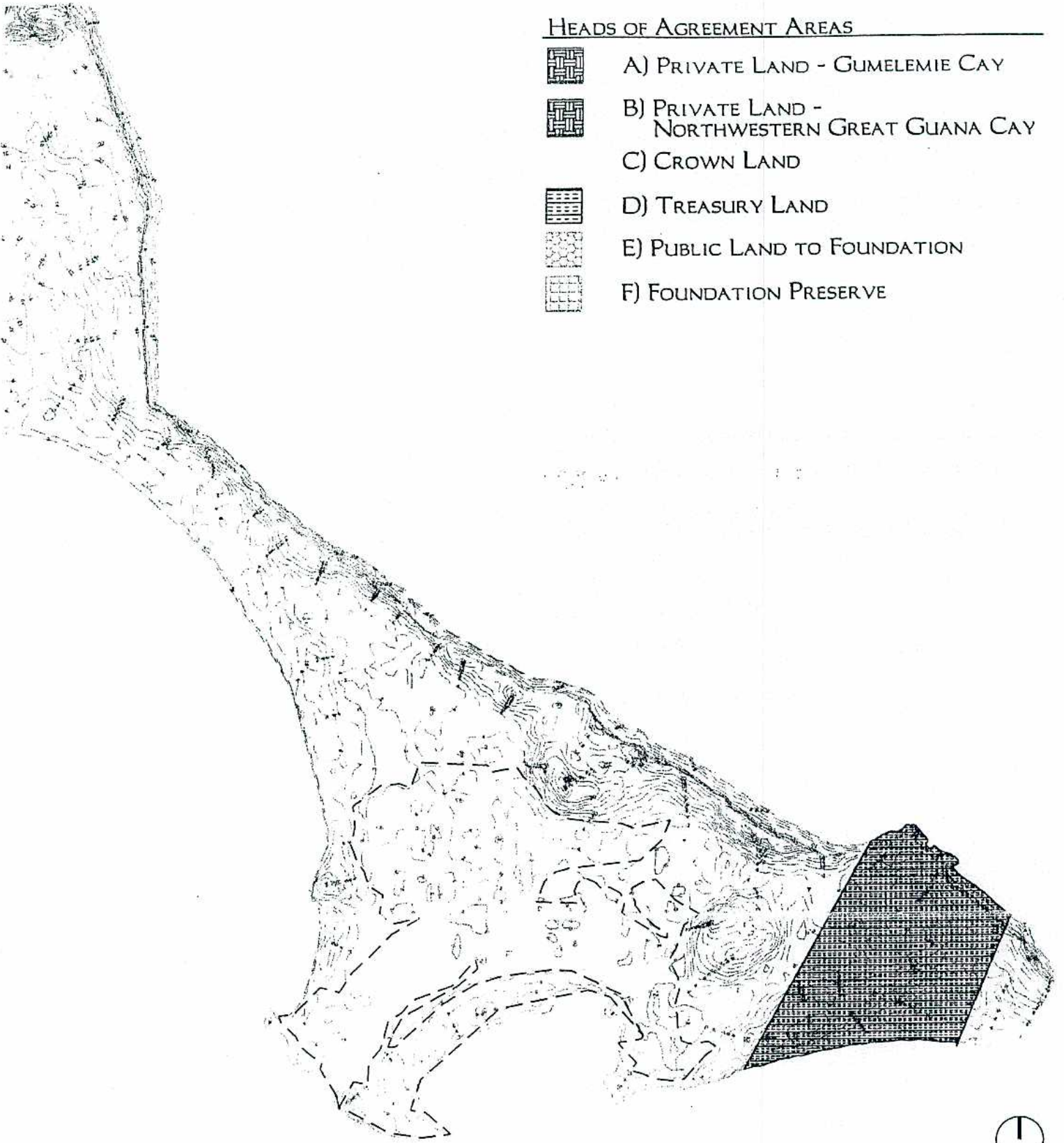
D) TREASURY LAND



E) PUBLIC LAND TO FOUNDATION



F) FOUNDATION PRESERVE



AREA DESIGNATION MAP

PLAN D -
TREASURY LAND

FEBRUARY 16, 2004



PASSERINE AT ABACO

Great Guana Cay, Bahamas

RPS

3/4

HEADS OF AGREEMENT AREAS



A) PRIVATE LAND - GUMELEMIE CAY



B) PRIVATE LAND -
NORTHWESTERN GREAT GUANA CAY

C) CROWN LAND



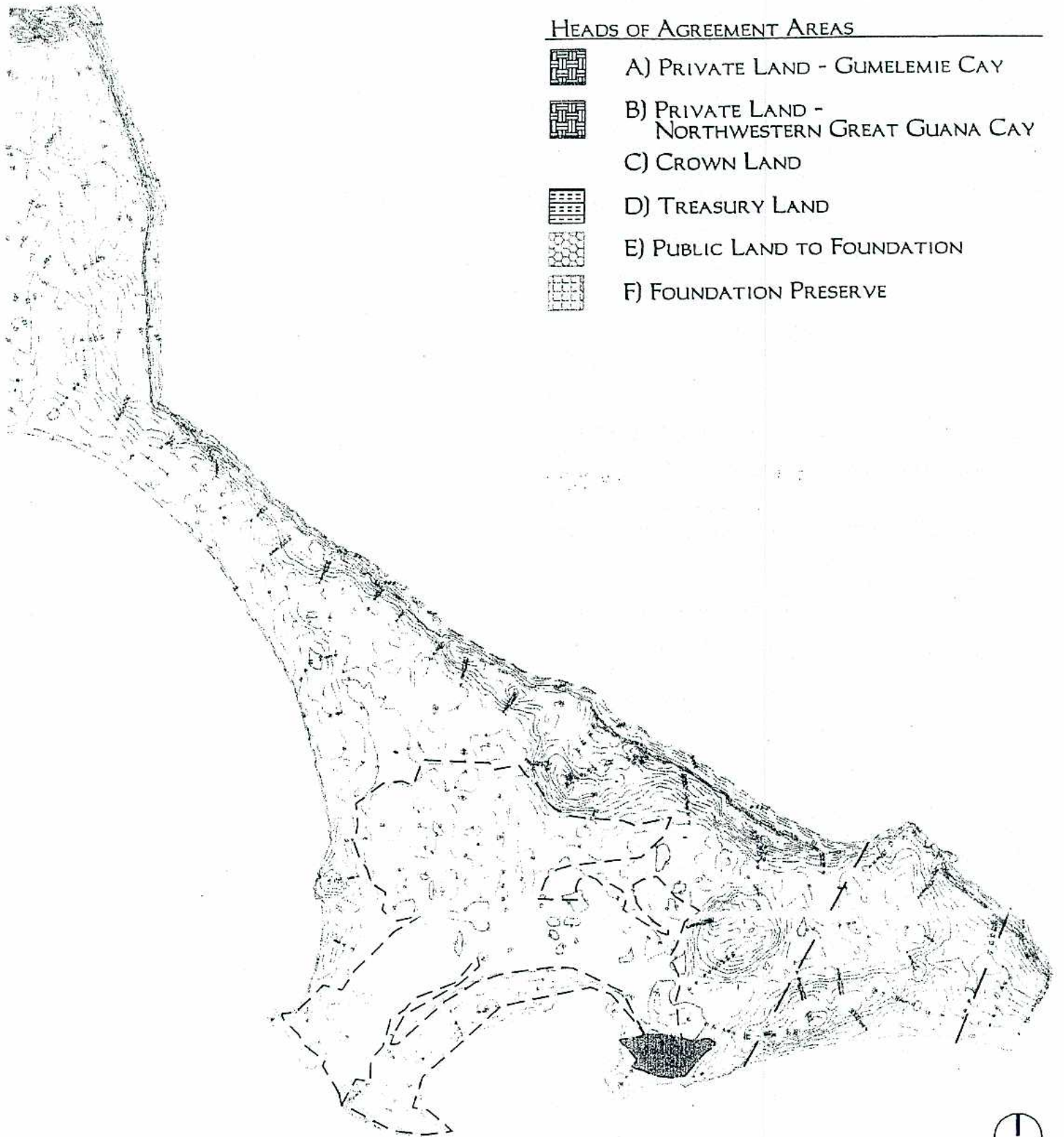
D) TREASURY LAND



E) PUBLIC LAND TO FOUNDATION



F) FOUNDATION PRESERVE



AREA DESIGNATION MAP

PLAN E -
PUBLIC LAND TO FOUNDATION

FEBRUARY 16, 2004



PASSERINE AT ABACO

Great Guana Cay, Bahamas

RPS

[Handwritten signature]

HEADS OF AGREEMENT AREAS



A) PRIVATE LAND - GUMELEMIE CAY



B) PRIVATE LAND -
NORTHWESTERN GREAT GUANA CAY

C) CROWN LAND



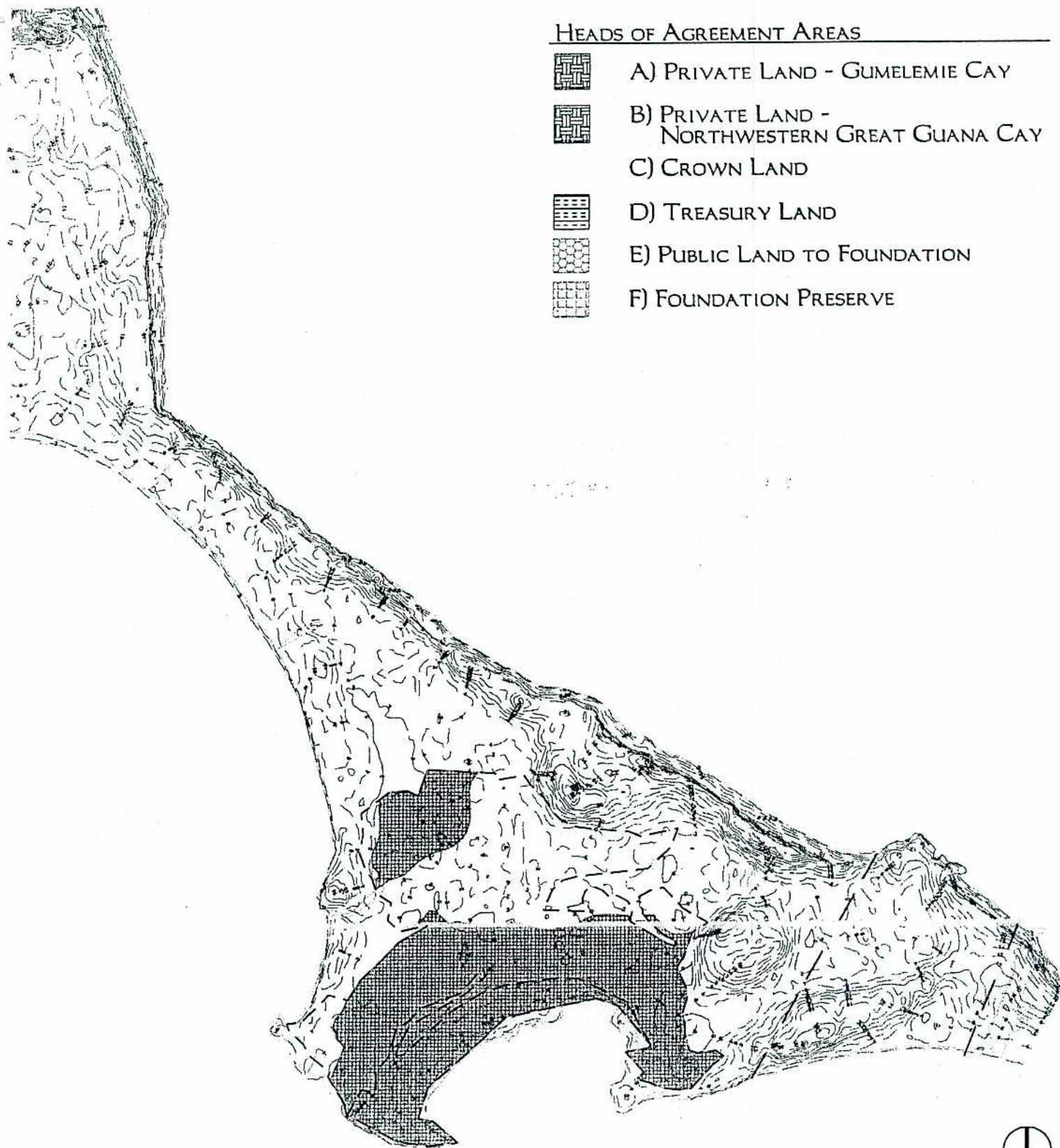
D) TREASURY LAND



E) PUBLIC LAND TO FOUNDATION



F) FOUNDATION PRESERVE



AREA DESIGNATION MAP

PLAN F -
FOUNDATION PRESERVE

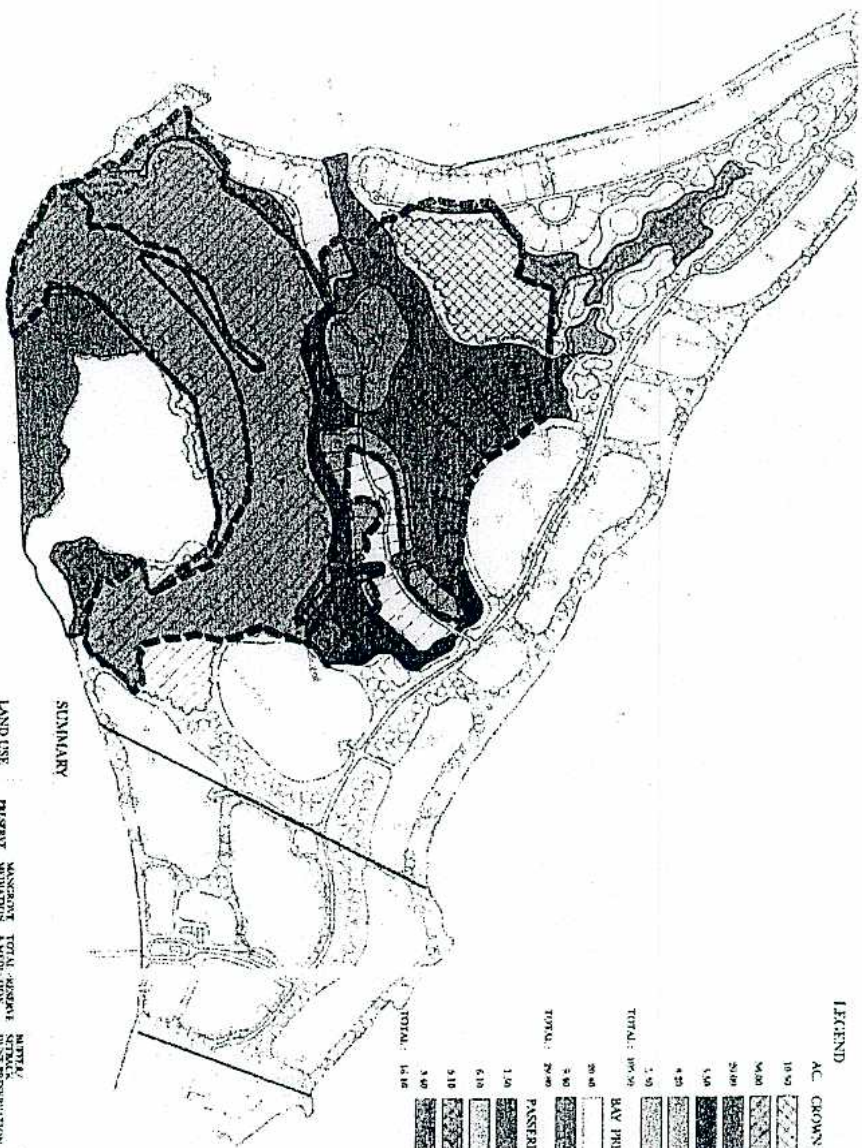
FEBRUARY 16, 2004

PASSERINE AT ABACO

Great Guana Cay, Bahamas

RVB

2/16



SUMMARY

| LAND USE | PRESERVE | MANAGEMENT | TOTAL | MANAGEMENT | TOTAL |
|------------|----------|------------|--------|------------|--------|
| WOODLAND | 56.00 | 10.00 | 66.00 | 10.00 | 66.00 |
| SAND FLATS | 56.46 | | 56.46 | | 56.46 |
| WATERWAYS | 5.40 | | 5.40 | | 5.40 |
| PASPERINE | 5.40 | 3.10 | 8.50 | 3.10 | 8.50 |
| TOTALS | 127.26 | 13.10 | 140.36 | 13.10 | 140.36 |

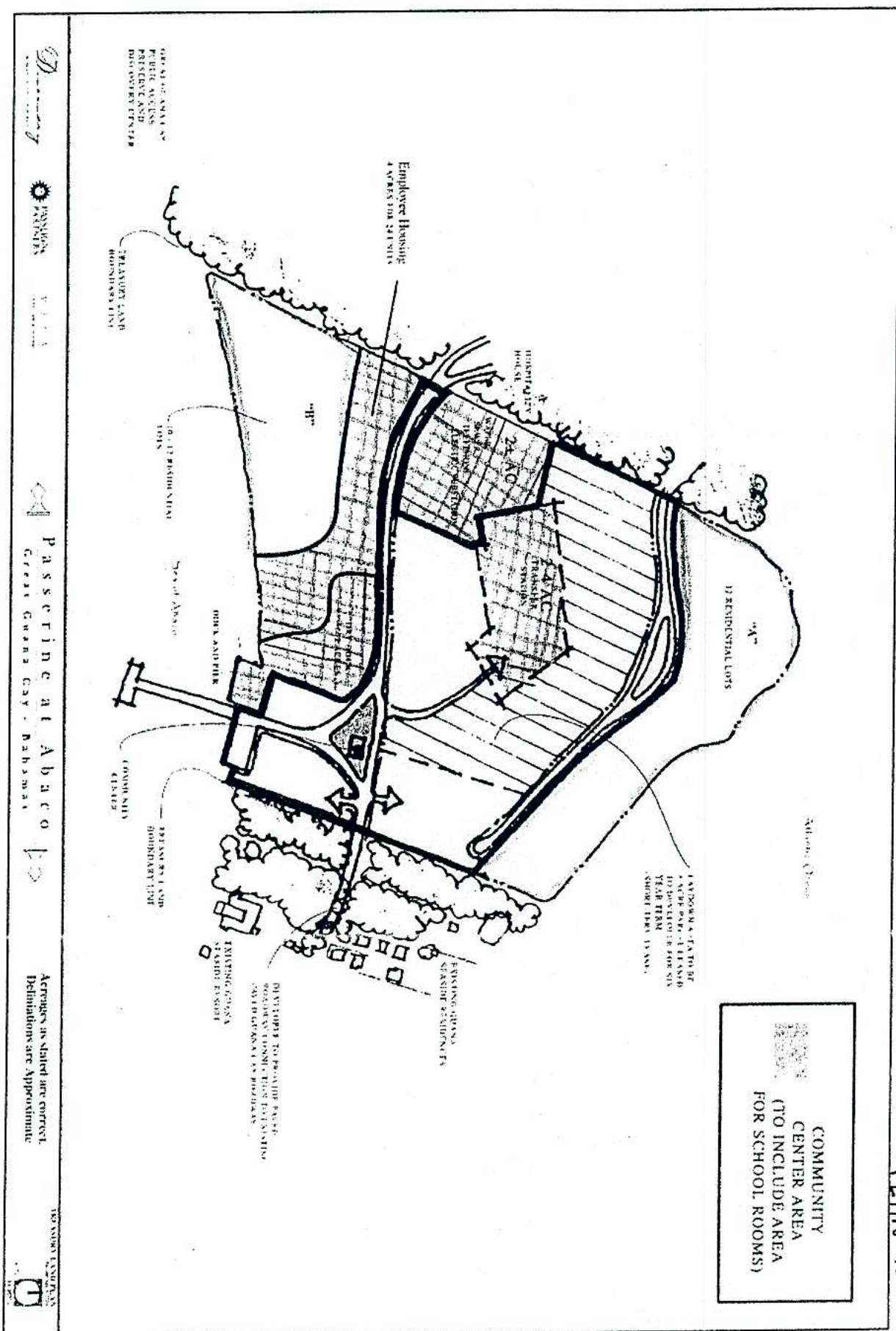
LEGEND

| AC | WOODLAND | MANAGEMENT | TOTAL |
|--------|----------|------------|--------|
| 10.00 | WOODLAND | 10.00 | 10.00 |
| 56.46 | WOODLAND | 56.46 | 56.46 |
| 5.40 | WOODLAND | 5.40 | 5.40 |
| 5.40 | WOODLAND | 5.40 | 5.40 |
| 3.10 | WOODLAND | 3.10 | 3.10 |
| 13.10 | WOODLAND | 13.10 | 13.10 |
| 140.36 | WOODLAND | 140.36 | 140.36 |

PLAN "C"

RAT

RDB

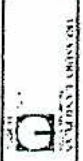


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[illegible]

Passerine at Abaco
Great Guana Cay - Bahamas

Averages as stated are correct.
Delimitations are Approximate



RPS

COMMONWEALTH OF THE BAHAMAS

New Providence

DATED

15th

day of

March, 2005

THE GOVERNMENT OF THE COMMONWEALTH OF
THE BAHAMAS

AND

PASSERINE AT ABACO HOLDINGS LTD
PASSERINE AT ABACO HOLDINGS LIMITED, BAKERS BAY CLUB LIMITED,
BAKERS'S BAY HOA LIMITED BAKERS BAY FOUNDATION LIMITED
AND BAKERS BAY MARINA LIMITED

HEADS OF AGREEMENT

2175

