

COMMONWEALTH OF THE BAHAMAS
Grand Bahama

1/3/18


HEADS OF AGREEMENT

These Heads of Agreement are made this 19th day of February, 2018 (the "Effective Date") between **THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS**, represented herein by the Secretary to the National Economic Council acting by and under the authority of the National Economic Council (hereinafter called the "Government"), of the one part, and **OBAN ENERGIES, LLC**, a limited liability company organized under the laws of the State of Florida, USA (hereinafter called the "Developer"), of the other part.

WHEREAS:

- (A) The Developer has made application to the Government to: (i) implement and construct an up to Twenty Million (20,000,000) barrel multi-purpose liquid bulk facility (the "Terminal") on hereditaments situate at East End, Grand Bahama (as more fully described herein) on the Development Lands (as defined in Section 2.5); and (ii) construct at East End, Grand Bahama on the Development Lands, an up to Two Hundred Fifty Thousand (250,000) barrel per day oil refinery (the "Oil Refinery"). The Developer also intends to make application to construct on the privately-owned land housing for sale or rent to Bahamian citizens and for rent only to non-Bahamian citizens.
- (B) The Oil Refinery has an estimated project cost of up to Four Billion Dollars (USD \$4,000,000,000) and the Terminal has an estimated project cost of up to One Billion Five Hundred Million Dollars (USD \$1,500,000,000).
- (C) By letter dated December 1, 2016, the National Economic Council (an agency of the Government) approved the Developer to develop and to implement, at East End, Grand Bahama, the Terminal and the Oil Refinery.



- (D) The Development (as described in Section 3) requires, and the Government hereby agrees to provide, a leasehold interest in land and seabed (the "Crown Land") owned by the Government as will be described in a boundary survey to be attached in a Supplemental Agreement (the "Crown Lease").
- (E) The Government has determined that the Development will be in the substantial economic interest of the people of the Commonwealth aforesaid and will provide employment benefits for the people of the aforesaid Commonwealth.
- (F) The Government and the Developer desire to set forth the terms and conditions on which the Developer is permitted to carry out the Development as recited item (A) of the Recitals hereof and approved as stated in Recital C.
- (G) In the premises, the Government and the Developer desire to facilitate the Development as recited in Recital (A) hereof, and, accordingly, the parties have entered into these Heads of Agreement.

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements set forth herein (the receipt and sufficiency whereof each party hereby respectfully acknowledges), the parties hereby agree as follows:

1. **RECITALS.** The above Recitals are correct in all respects.
2. **DEFINITION AND INTERPRETATION.** In the interpretation of these presents, unless the context otherwise requires:
 - 2.1 "Approvals" means all applicable approvals, permits, licenses, consents, exemptions and other authorizations from the Relevant Governmental Agency or entity having jurisdiction over the subject matter in question.
 - 2.2 "Crown Land" means the lands described in a boundary survey plan to be verified by the Government and annexed in a Supplemental Agreement.
 - 2.3 "Crown Lease" has the meaning set forth in item (D) of the Recitals.

- 2.4 “Development” means the overall development project contemplated by these Heads of Agreement.
- 2.5 “Development Lands” means those pieces, parcels or lots of Crown Land together with privately-owned land (if any) to be purchased by the Developer and collectively, upon which the Development shall be constructed and operated to be described in a boundary survey plan to be attached as a Supplemental Agreement.
- 2.6 “Development Plan” means the development plan described in Sections 3 and 4.
- 2.7 “Effective Date” has the meaning set forth in the preamble to these Heads of Agreement.
- 2.8 “EIA” has the meaning set forth in Section 5.1.
- 2.9 “Environmental Infraction” means any violation of any law, regulation or policy in relation to the Environment or any damage caused to the environment as referred to herein.
- 2.10 “Environmental Management Plan” has the meaning set forth in Section 5.2.
- 2.11 “Final Approval” has the meaning set forth in Section 12.3.
- 2.12 “Force Majeure” means fire, lightning, storm, flood, hurricane, tidal wave, earthquake or other act of nature; explosion; war, war-like activity or terrorism; insurrection, riot, civil commotion, political unrest or coup; Act of God; freight embargo or blockade; labor unrest, work stoppage, strike, lockout or other industrial disturbance (other than in the ordinary course of business and lasting in excess of six (6) consecutive calendar months); unilateral governmental action, delay, restraint or inaction which could reasonably be deemed to have a material adverse impact on the Development; unavailability of, or delays in obtaining, rights-of-way, permits, permissions or licenses at a reasonable cost and by the exercise of reasonable diligence; or any other similar event which is not reasonably within the control of the party claiming suspension.
- 2.13 “Government” has the meaning set forth in the preamble to these Heads of Agreement.
- 2.14 “Government Authority” means any government agency or entity having jurisdiction over any subject matter in question.

- 2.15 “Material Environmental Infraction” has the meaning set forth in Section 5.3.
- 2.16 “Relevant Governmental Agencies” include but are not limited to the Ministry of Public Works, the Town Planning Department, the Department of Physical Planning, the Ministry of Finance, the Water and Sewerage Corporation, the Bahamas Electricity Corporation, the Bahamas Telecommunications Company Limited, the Port Department, the Department of Lands and Surveys, the Ministry Responsible for the Environment, including the BEST Commission, the Department of Environmental Health Services, the Ministry of Agriculture and Marine Resources, the Ministry of Local Government and Transport, the Ministry of Health, the National Economic Council, the Bahamas Investment Authority, the Central Bank of The Bahamas and Utilities Regulation and Competition Authority.
- 2.17 “Neighboring Properties” means the Crown land (approximately 500 acres) immediately adjacent to the north, east and west of the Development Lands to be described in a boundary survey plan to verified by the Government and annexed in a Supplemental Agreement.
- 2.18 “Oil Refinery” has the meaning set forth in item (A) of the Recitals.
- 2.19 “Permitted Encumbrance” means encumbrances, easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any rights of way for the purpose of roads, pipelines, transmission lines, transportation lines or distribution lines, or any other defects, irregularities or deficiencies in title, that, in each case, do not materially impair the use of the Crown Land for the purposes of the Development.
- 2.20 “Person” means an individual, a partnership, a limited liability company, a corporation, an association, a trust, a joint venture, an unincorporated organization or any other type of entity, foreign or domestic.
- 2.21 “Qualified Independent Expert” has the meaning set forth in Section 5.2.
- 2.22 “Terminal” has the meaning set forth in item (A) of the Recitals.

3. **THE DEVELOPMENT.**

- (a) The Development shall consist of the following:
- (i) The Terminal, which consists of an up to twenty million (20,000,000) barrel multi-purpose liquid bulk storage facility for crude and other oil products (including, but not limited to, fuel oil, distillates, gasoline, diesel and jet fuel) storage, together with all ancillary buildings, structures (including, but not limited to one or more sea islands, harbour facilities and other shipping facilities and structures), utility facilities and equipment (and items of personal property necessary or usual in the design, construction and/or operation of the Terminal); and
 - (ii) The Oil Refinery, together with all ancillary buildings, structures (including, but not limited to one or more sea islands, harbour facilities and other shipping facilities and structures), utility facilities and equipment (and items of personal property necessary or useful in the design, construction and/or operation of the Oil Refinery).
- (b) The Parties agree that the Developer, with the prior approval of the Government, has the discretion to undertake the Development of the Terminal or Oil Refinery in separate portions or to undertake all portions of the Development simultaneously provided that the scope and quality of the Development as a whole is not materially diminished.

4. **THE DEVELOPMENT PLAN.**

- 4.1 **Development Phases.** After the execution of these Heads of Agreement, the following describes the currently planned phases regarding the Development. The Developer may, in consultation with the Government and all Relevant Governmental Agencies modify the phases, and the processes within each phase, in which the Development proceeds.

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4.1.1 **Pre-Construction Phases**

- (a) *Phase 1: Preliminary Engineering and Environmental Impact Assessment (EIA):* Phase 1, initial engineering, across all disciplines, and design concepts and completion of the EIA, has commenced as of the Effective Date.
- (b) *Phase 2: Environmental Management Plan (EMP).* Upon (i) completion of Phase 1 and (ii) receipt of comments from the Relevant Governmental Agencies on the EIA, Phase 2, which is the creation, finalization and execution of the Environmental Management Plan, will commence.
- (c) *Phase 3: Design Engineering.* Upon completion of Phase 2, including execution of the Environmental Management Plan and the issuance of applicable building permits, Phase 3 will commence and include finalizing detailed engineering, design, construction and operational documents, including with respect to major structures and major foundations, that enable the Developer or its appointed supplier to commence and finalize construction.

4.1.2 **Construction Phases**

- (a) *Phase 4: Infrastructure and Civil Works.* The first phase of construction will commence with site preparation, which includes, but is not limited to, land clearance and grading, land elevation and filling in any caverns.
- (b) *Phase 5: Civil Infrastructure.* Construction of the Development is proposed to commence with the installation of the required civil infrastructure, including utilities, housing and roads.



- (c) *Phase 6: Structural Engineering.* Installation of the required structural foundations, including the Terminal, Oil Refinery and ancillary structures, including, without limitation, marine, harbor and pipes.
- (d) *Phase 7: Construction and Completion of Initial Terminal Capacity.* Construct and complete the Terminal up to a capacity of four (4) million barrels.
- (e) *Phase 8: Construction and Completion of Additional Terminal Capacity.* Construct and complete the Terminal up to an additional capacity of six (6) million barrels.
- (f) *Phase 9: Construction and Completion of Oil Refinery and Remaining Terminal Capacity.* Construct and complete the Oil Refinery and the Terminal up to an additional capacity of ten (10) million barrels.

4.2 **Construction Completion.** The Developer will use commercially reasonable efforts to substantially complete construction of the entire Development by December 31, 2030.

4.3 **Utilities.** The Developer shall consult with the Grand Bahama Power Company (“GBPC”) and other Relevant Governmental Agencies in good faith to ascertain whether utilities (including without limitation water and electricity) required in connection with the construction and operation of the Development can be sourced from GBPC at an economically viable rate. If utilities cannot be sourced from GBPC at an economically viable rate, then the Developer shall, subject to the prior written consent of the GBPC, have the right to develop and use its own self-generated or sourced utilities, provided that it can do so in accordance with all applicable laws, regulations and policies of The Bahamas. The Government agrees, subject to the laws, regulations and policies of The Bahamas, to use its best efforts to collaborate with GBPC in order to achieve the objective outlined herein.



5. **ENVIRONMENTAL PROTECTION AND PRESERVATION OF ANTIQUITIES.**

- 5.1 **Environmental Impact Assessment.** The Developer shall, at its own expense, commence an environmental impact assessment (an "EIA") of that portion of the Development first proposed to be undertaken (i.e. Oil Refinery or Terminal) for purposes of determining whether such portion of the Development can be implemented in an environmentally safe and sustainable manner. The Developer shall consult with the BEST Commission to develop a Terms of Reference for the Development's EIA. The Developer shall obtain an additional EIA for each subsequent portion of the Development, if any, prior to commencement of construction of such subsequent portion. The Developer shall submit the EIA to the Government for its review. The Government shall have sixty (60) days after receipt of the EIA to provide any comments to the EIA. If, as a result of the Government's review of an EIA, the Government determines that the relevant portion of the Development (as proposed to be constructed) cannot be implemented in an environmentally, safe and sustainable manner, then the Government shall propose that the Developer take additional specific precautions and/or make specific modifications to the proposed Development in order to address the Government's specific concerns. The Developer shall, prior to commencing construction of the relevant portion of the Development, take such additional precautions and/or make such modifications to the proposed Development as are commercially reasonable to address the Government's specific concerns; alternatively, the Developer shall retain the right to abandon the proposed Development. The parties agree that the Government shall not have the right to terminate these Heads of Agreement based upon any EIA report, but instead shall work with the Developer to mitigate any concerns. If the Government does not provide any such comments to the EIA within the aforementioned sixty (60)-day period, the EIA shall be deemed acceptable to the Government.

5.2 **Environmental Management Plan.** After completing the EIA and prior to commencement of construction of the Terminal and Oil Refinery, the Developer shall prepare agreements (hereinafter called the "**Environmental Management Plans**"). The first Environmental Management Plan shall set forth any terms and conditions as it relates to the construction and demobilisation of the Development, including the manner in which construction waste shall be disposed of, the procedures for monitoring and evaluating operations of the Development, the mitigation measures to be undertaken, and the penalties to be imposed on the Developer for material environmental infractions caused by the Developer (the "**Environmental Infractions**")). The second Environmental Management Plan shall set forth operation and facilities decommissioning of the Development, if necessary. The Government shall have thirty (30) days after receipt of each Environmental Management Plan to provide any comments thereto. BEST and the Developer shall agree those terms to be incorporated into each Environmental Management Plan, to be executed by the parties within ten (10) days thereafter. If the Government does not provide any such comments to an Emergency Management Plan within the aforementioned thirty (30)-day period, such Emergency Management Plan shall be deemed acceptable to the Government. The Developer shall pay the Government's reasonable consultant's fees and expenses for engaging one or more qualified independent experts (the "**Qualified Independent Expert**") who are mutually selected by the Developer and the Government for the purpose of monitoring the Developer's compliance with the Environmental Management Plan during the construction and commissioning phases of the Development, provided that the aggregate amount thereof shall not exceed One Hundred and Fifty Thousand Dollars (USD \$150,000). In addition, the Developer shall, for the first two (2) years of operations, pay the Government its reasonable out-of-pocket costs for the environmental monitoring and oversight of the Development



in accordance with the Development Plan, provided that the aggregate amount thereof shall not exceed One Hundred and Fifty Thousand Dollars (USD \$150,000).

- 5.3 **Penalties under the Environmental Management Plan.** The Environmental Management Plan shall provide for the payment of penalties for Environmental Infractions that are not remedied within thirty (30) days from the initial notification by the Government that there shall have occurred and be continuing an Environmental Infraction; provided, however, that in the case of an Environmental Infraction that could reasonably be deemed to have a material adverse environmental impact on the Development and the wider general community of East Grand Bahama, including but not limited to the atmosphere, coastline, seabed and water table (a "Material Environmental Infraction"), the Parties shall seek to amicably resolve the matter on an expedited basis. In the event that the matter cannot be amicably resolved within two (2) calendar days of notification, the Government or the Developer shall consult with the Qualified Independent Expert to resolve the matter. In the case of a Material Environmental Infraction fines or penalties provided for herein shall not be due and payable unless and until there shall have been a written determination by the Qualified Independent Expert that a Material Environmental Infraction shall have occurred and remain in existence. The penalties shall be Five Thousand Dollars (USD \$5,000) per day for the first thirty (30) days after the ninety (90) day cure period and shall increase to Ten Thousand Dollars (USD \$10,000) per day thereafter until such Material Environmental Infraction is remedied. If any Material Environmental Infraction is not remedied within ninety (90) days of such written determination by the Qualified Independent Expert, the Minister responsible for the environment shall make the determination whether to continue the penalties or cause the discontinuation of the operation or equipment producing the Environmental Infraction and any other Relevant Governmental Agency may determine to suspend the permit for the operation of the Terminal or Oil Refinery, as applicable. If

the Environmental Infraction is deemed by the Minister responsible for the environment to be an urgent threat to the health of exposed persons, the surrounding environment or an urgent safety concern, the Minister shall determine whether to immediately or in a time specified by him, cause the discontinuation of the operation or equipment producing the Environmental Infraction and any other Relevant Governmental Agency may determine to suspend the permit for the operation of the Terminal or Oil Refinery, as applicable. Notwithstanding anything in these Heads of Agreement to the contrary, the Minister responsible for the environment and any other Relevant Governmental Agency shall be at liberty to take such further actions as may be deemed necessary, in the interest of public health and safety, in accordance with the laws of the Commonwealth of The Bahamas.

5.4 Notwithstanding anything in these Heads of Agreement to the contrary, the aggregate amount for which the Developer shall be responsible for reimbursement to the Government for fines and penalties pursuant to Sections 5.1, 5.2 and 6.3 and for Environmental Infractions pursuant to Section 5.3 shall not exceed Three Million Five Hundred Thousand Dollars (U.S. \$3,500,000).

5.5 **Modification of Environmental Management Plan.** The Developer acknowledges the Government's right and authority to take reasonable steps as are necessary to ensure the protection of all environmental resources of The Bahamas during the construction, operation and decommissioning of the Terminal and Oil Refinery. Accordingly, if required to assure compliance with the applicable environmental laws and regulations as well as the avoidance or mitigation of any adverse environmental impact resulting from the construction, operation and decommissioning of the Terminal and Oil Refinery, the Government and the Developer shall cooperate in good faith to make reasonable modifications to the Environmental Management Plan to include any additional measures that are reasonably necessary; provided, however, that such measures are consistent with relevant environmental standards in The Bahamas.

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5.6 **Environmental Obligation.** The Developer undertakes and agrees as follows:

- (a) during the construction and operation of the Development, to maintain and preserve, in accordance with the Environmental Management Plan, the environmental integrity of the Crown Land, including its land and marine environment;
- (b) without prejudice to the generality of the immediately foregoing sub-section (a), to comply with the stipulations of the Relevant Governmental Agencies contained in the Approvals in connection with the construction of the Development and the preservation of the surrounding land and marine environment as described in the Approvals;
- (c) prior to construction of the Development, to: (i) inform all Developer personnel, environmental inspectors, and contractor personnel of the Developer of the authority of the Relevant Government Agencies to inspect the Development; and (ii) train all personnel on the implementation of the environmental mitigation measures appropriate to their jobs;
- (d) to facilitate the inspection of the Development by the Qualified Independent Expert in order to monitor compliance with the Environmental Management Plan and any relevant guidelines issued by said Government Authorities, with all officers and employees of the independent accredited inspection agency or the Relevant Government Agencies being allowed free and unrestricted access to the Crown Land occupied by the Development in the performance of their official duties;
- (e) to take all commercially reasonable steps as may be directed by the Qualified Independent Expert to remedy or mitigate any damage to the environment resulting from the Developer's negligence or the negligence of any contractor or subcontractor of the Developer in executing any works connected with the Development, without prejudice to any other rights or remedies available at law to the Government;

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- (f) to cooperate with the Antiquities, Monuments and Museum Board in the preservation, conservation and restoration of any antiquities and or historical sites that may be discovered on the Crown Land; and
- (g) in the event that the Developer decommissions any portion of the Development, it will do so in such a manner as set out in the Environmental Management Plan or as otherwise agreed to by the Government.
- (h) Prior to the commencement of the Development, the Developer agrees to carry out at its sole cost baseline studies on the Crown Lands to determine any environmental and geological information with respect to the said lands which shall be produced and acknowledged by the Government and the Developer, the Government shall not be liable for anything not revealed in the baseline studies and the Developer shall indemnify the Government for any pollution, contaminants, and emittance on the Crown Land.

5.7 **Modification of the Development.** Prior to performing any construction activities related to any planned expansion or material modification of the Development, the Developer shall submit the plans for such expansion or modification to the Minister responsible for the environment with sufficient detail to allow the Minister to make the evaluation of whether an EIA is required.

6. **EMERGENCY RESPONSE PLAN; SAFETY AND SECURITY PROCEDURES.**

- 6.1 Prior to the commencement of commercial operation of the Terminal and/or Oil Refinery, the Developer shall submit to the Government for its approval an Emergency Response Plan, which shall include:
- (a) details of actions to be taken by the Developer in response to accidents on land;
 - (b) details of actions to be taken by the Developer in response to accidents at sea;
 - and
 - (c) details of actions to be taken by the Developer in response to accidents involving a rupture of any fuel or industry-related pipeline.

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- 6.2 The Developer shall provide the initial draft of the Emergency Response Plan to the Government for review at least three (3) months prior to the commencement of commercial operations. The Government and the Developer shall agree those terms to be incorporated into the Emergency Response Plan. The Government undertakes to assist the Developer where reasonably required in the latter's implementation and execution of the Emergency Response Plan.
- 6.3 Prior to the Terminal and/or Oil Refinery entering commercial operation, the Developer shall prepare and implement Safety and Security Procedures consistent with applicable industry standards. The Developer shall provide the initial draft of the Safety and Security Procedures to the Government for review at least three (3) months prior to the commencement of commercial operations. The Government shall be entitled to appoint a qualified, independent firm, which is reasonably acceptable to the Developer and reasonably required by the Government, to review the Developer's Safety and Security Procedures. The Developer shall cooperate in all reasonable respects with such firm. The Government, or such firm, as applicable, shall have thirty (30) days after receipt of the Safety and Security Procedures to provide any comments thereto, with all such reasonable comments being incorporated by the Developer into the Safety and Security Procedures. The Developer shall pay all reasonable fees and expenses of such firm, provided that the aggregate amount thereof shall not exceed One Hundred and Fifty Thousand Dollars (USD \$150,000).
- 6.4 The construction activities related to the Terminal and/or Oil Refinery shall be undertaken in accordance with the requirements of all local laws, regulations and policies.
7. **GOVERNMENTAL ACCESS AND INSPECTION RIGHTS.** The Developer acknowledges and agrees that the Government shall have the right to enter upon and inspect the facilities, or parts thereof, maintained or operated under these Heads of Agreement, and when, in the opinion of the Government, the safety of The Bahamas demands it, direct by a written order, that



operations of the Development be suspended for such length of time as may appear to the Government to be necessary to secure the said safety of The Bahamas.

8. **USE OF BAHAMIAN SERVICES.** In connection with its undertakings under these Heads of Agreement, but subject to timely availability, price, quality, substantial competency and quantity consistent with the construction and operation of a high-quality Terminal and Oil Refinery, the Developer will use commercially reasonable efforts to use Bahamian material, Bahamian professional services and other Bahamian services in connection with the implementation of the Development Plan.

9. **EMPLOYMENT OF BAHAMIANS AND NON-BAHAMIANS.**

- 9.1 It is mutually agreed that the employment of Bahamians in the construction and operation of the Development is of paramount importance to the Government. The Developer undertakes to use commercially reasonable efforts to maximize the hiring of Bahamians in the construction and operation of the Development.
- 9.2 After receiving Final Approval, the Developer anticipates that the Development will create approximately 600 direct jobs plus 1,000 indirect and induced jobs during the construction period and 250 direct full-time jobs during operations. It shall be a goal of the Developer to employ 80% Bahamians and 20% non-Bahamians during the construction period (with a recognition that attainment of this goal shall be dependent on the availability of Bahamians substantially competent to function in jobs to be filled).
- 9.3 The Government acknowledges that the construction and the successful operation of the Development in accordance with the project schedule and in accordance with the highest international standards may necessitate the employment of non-Bahamian persons or firms with the relevant expertise and who are available and qualified in circumstances where Bahamians, with the relevant expertise, are not then available in the Bahamian workforce. In recognition of the foregoing, the Government shall grant such number of work permits to the Developer on a ratio of 80% Bahamians and 20% non-Bahamians

(as may be further agreed in a separate Management and Expert Labour Protocol) to accomplish the timely and successful construction, management, operation and maintenance of the Development, subject to the regulations and procedures prescribed by the Immigration Act and shall be predicated on the unavailability in the Bahamian work force, from time to time of persons, or firms having the relevant expertise and who are available and qualified for the relevant jobs, positions or assignments, as determined by the Developer in its sole discretion; provided that the foregoing percentages shall be adjusted accordingly if any Bahamians are hired and they subsequently quit or are unable to pass the training requirements of the Developer. The Developer shall advertise within The Bahamas employment and entrepreneurial opportunities for Bahamians in accordance with the labour laws and customary methods and practices of The Bahamas.

- 9.4 The Developer shall cooperate with the Government to put in place and sustain during the course of the Development multi-disciplinary, on-the-job, technical skills-training and apprenticeship programs designed to equip the Developer's Bahamian employees with the level of technical proficiency reasonably necessary for promotion and advancement, and shall render reasonable periodic assistance towards curriculum development at the University of the Bahamas; provided that the annual cost to the Developer of the foregoing shall not exceed \$100,000.00 or \$250,000.00 in the aggregate.

10. **HOUSING AND ACCOMMODATION.**

- 10.1 The Government and the Developer recognize that there is insufficient housing to accommodate personnel to be employed or contracted during the construction period and/or during operations. The Developer shall undertake commercially reasonable efforts to construct housing, on privately-own land (if and to the extent the Developer is able to find suitable acreage at commercially reasonable rates), to accommodate said personnel in accordance with such environmental, health and safety requirements as may be

stipulated by the Ministry of Environment and Housing, and any other Relevant Governmental Agencies.

10.2 The Developer shall have the right to construct, on the privately-own land, and own said housing and to offer same for sale or rent to Bahamian citizens, and for rent only to non-Bahamian citizens, employed or contracted with in connection with the Development. The Developer shall provide transportation from any such housing locations to the Development site. Upon completion of the construction of the Development, to the extent not used by the Developer, the Developer shall offer for sale, at fair market value (established by an appraiser mutually acceptable to the Developer and the Government) to Bahamian citizens, any vacated housing that will not be required by the Developer during the operation phase of the Development (unless the Developer otherwise intends to demolish such housing). Any housing required by employees or contractors of the Developer during the construction phase shall be rented to such employees or contractors at a nominal monthly rent representing the operating cost of the housing complex (including, without limitation, the cost of capital required to build and operate the housing complex), as reviewed by the Minister of Works.

10.3 The Developer shall ensure the inclusion of Bahamians in any real estate sales and operations and by listing secondary sales of the housing with independent Bahamian real estate brokers, and whenever non-Bahamian realtors are involved in the sales transactions they will involve a Bahamian realtor in accordance with the Real Estate (Brokers and Salesman) Act; provided that the Developer shall obtain all necessary permitted licences to sell as Developer and shall be permitted to sell housing which form part of the real estate inventory of the Development.

11. **PLACEMENT OF FUNDS IN THE BAHAMAS.**

The Developer shall establish a Developer owned and controlled bank account in the Commonwealth of The Bahamas, which funds are anticipated to be used by the Developer for the

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payment of various expenses incurred for the use of Bahamian labour and vendors related to the Development.

12. **GOVERNMENTAL CONSENTS APPROVALS, PERMISSIONS AND EXEMPTIONS.**

The Government, being satisfied that the Development will be of significant economic benefit to The Bahamas, generally accepts the proposed Development as envisaged in the Developer's application as more particularly set out in Section 3 herein and directs that approvals shall be sought from the Relevant Governmental Agencies on the basis of the Proposal. The Government hereby agrees, subject to the approval of all Relevant Governmental Agencies (but subject to the last sentence of Section 12.2(a) and to any change in law to which the provisions of Section 17.12 shall apply), to:

12.1 promptly after the Effective Date, do all that is necessary to implement and carry into effect these Heads of Agreement and, in particular (but not by way of limitation), to procure any acts, consents and approvals of Parliament necessary or convenient under any statute or law to effect the sale and lease, and/or the grant of (or termination of) rights of way (including roadways and easements) to the Developer of, over or in respect of all lands intended to be sold or leased to the Developer or in respect whereof it is intended the Developer should be granted any rights of way or easements (or obtain terminations of rights of way or easements (including, but not limited to, the roadway that divides the Development Lands).

12.2 grant incentives and concessions to the Developer as provided under Industries Encouragement Act 1970 and Export Manufacturing Industries Encouragement Act 1989 and any amendments or reenactments thereto and any other existing or future legislation which would benefit the Development in addition to legislation which would facilitate the purposes of the Development, including, but not limited to, the following:

(a) The Development hereby receives full tax exemption from any and all applicable taxes, including, without limitation, income, import duty, export tax and real property tax for the statutory period as such term is defined in the Industries

Encouragement Act 1970, and for the statutory period as such term is defined in the Export Manufacturing Industries Encouragement Act 1989. In addition the Developer will be exempt from value added tax (for non-resident/non-domestic activities and transactions), in accordance with the First Schedule to the Value Added Tax Act, 2014; provided that VAT and stamp taxes shall be payable on the sale of land transactions in accordance with the provisions of the Value Added Tax Act, 2014 and the Stamp Act, subject to any exemptions that may be otherwise available to the parties thereto at law (including first time homeowners exemption). The items subject to such relief shall include, but not be limited to, construction material, equipment, furniture, fixtures and other material required for construction, equipping, furnishing and completing the Development, as well as exporting any and all refined and stored products and oils once operations commence.

- (b) All vehicles and gasoline necessary for the construction of the Development may be imported into and exported from The Bahamas free of customs duties.
- (c) All real property included in the Development shall be exempted from payment of real property tax in accordance with the Industries Encouragement Act 1970.
- (d) Prior to Final Approval, the Government shall designate the Developer as an “approved export manufacturer” as such term is defined under the Export Manufacturing Industries Encouragement Act 1989, and shall designate gasoline, diesel, jet fuel, liquid propane, natural gas, natural gas liquids and condensates (and all other products manufactured and/or refined at the Development) as “approved products” as such term is defined under the Export Manufacturing Industries Encouragement Act 1989.

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- (e) The Developer shall be exempt from export tax in respect of any relevant approved product pursuant to section 13(l)(a) of the Export Manufacturing Industries Encouragement Act 1989.
- (f) The Developer shall be exempt from income tax, if any, in respect of any profits or gains earned by the Developer with respect to all approved products pursuant to section 13(l)(b) of the Export Manufacturing Industries Encouragement Act 1989.
- (g) In the event that the Developer shall not have (i) created the number of jobs identified on Schedule "D" hereto within the time periods identified in such Schedule "D" or (ii) met the performance milestones identified in Schedule "D" hereto, each of which time periods commence upon obtaining Final Approval, the tax benefits and tax concessions provided for in the foregoing classes (a)-(g) (collectively, the "Tax Concessions") shall be reduced on a proportionate basis as provided for in the footnotes to Schedule "D".

12.3 The Government shall, subject to the approval of all Relevant Governmental Agencies, take all actions that are required for the Development to proceed on an expedited basis or that are otherwise requested by the Developer in connection with the Development (the "Final Approval"), including, but not limited to:

- (a) Building permits for the Development in accordance with applicable planning and building laws;
- (b) Final subdivision approval for any proposed subdivision of lots required under applicable laws or desired by the Developer in connection with the Development;
- (c) Subject to the Developer's acquisition of one or more Neighboring Properties, all permits, licenses and consents necessary to construct improvements on such Neighboring Properties that are ancillary or related to the Development;



- (d) All relevant Approvals to construct, equip and operate the Development in accordance with the Development Plan; and
 - (e) All other Approvals necessary under applicable law for the design, engineering, construction, equipping and operation of the Development (including, but not limited to, all Approvals that are necessary in connection with the relocation, at the Developer's expense, of the roadway that divides the Development Lands).
- 12.4 The Government shall, on an expedited basis, present a Bill in Parliament in order to amend the Industries Encouragement Act so that the statutory period (as defined therein) may be extended to allow the Developer to be granted concessions, for such period to accommodate the Development.
- 12.5 For the avoidance of doubt, but subject to the provisions of Section 17.12 respecting a change in law, the Developer shall be required to make payments of national insurance contributions payable by employers and self-employed persons under the National Insurance Act.
13. **OTHER COVENANTS OF THE GOVERNMENT.** For so long as these Heads of Agreement are in effect, the Government agrees as follows:
- (a) In collaboration with the Minister Responsible for Crown Lands and other Relevant Governmental Agencies and in accordance with applicable law, to enter into a Crown Lease in favour of the Developer within 45 days after the execution of these Heads of Agreement and the Developer shall pay to the Government in the currency of the Commonwealth of The Bahamas an annual rent for the Crown Lease in the amount of \$1.2 Million per annum for the Crown Land as defined in Section 2.2, with such payments to commence upon receiving Final Approval.
 - (b) So long as the Crown Lease is subsisting, it will not enter into or permit to exist any lease, contract or any other agreement (including, without limitation, any contract or agreement related to the sale, transfer, assignment, conveyance, lease, mortgage or the

incurrence of any lien or encumbrance (other than a Permitted Encumbrance) with respect to the Crown Land other than the Crown Lease.

- (c) Without prior approval of the Developer, it shall not with respect to the Crown Land (other than with respect to the Development), (i) perform or permit any grading or excavation, construction, or make or permit any other change or improvement; (ii) create or incur, or suffer to exist, any mortgage, lien, pledge, or other encumbrance; (iii) take or permit any action (including any change in any applicable laws, regulations, restrictions, rulings, or orders) which would adversely affect the Crown Land, including a change of law as provided in Section 17.12; or (iv) commit or permit to occur any waste or nuisance at the Crown Land such approval not to be unreasonably withheld or delayed; .
- (d) It shall not, directly or indirectly, solicit, market, negotiate, offer or respond to any offers or otherwise attempt to assign, transfer, finance or otherwise enter into any transaction involving the sale of all or any portion of the Crown Land (other than any such transaction involving the Developer as contemplated hereby) without the Developer's prior written consent (such consent not to be unreasonably withheld or delayed).
- (e) It will not enter into or permit to exist any lease, contract or any other agreement with respect to the Crown Land (other than those contemplated with the Developer by these Heads of Agreement) without the Developer's prior written consent (such consent not to be unreasonably withheld).
- (f) It shall not, without the prior consultation with the Developer, enter into a lease, sell, assign or otherwise transfer any interest in the Neighboring Properties to the extent that either (i) the counterparty to such transaction would be a competitor of the Developer or (ii) the proposed or actual lease, ownership or operation of the Neighboring Properties would have an adverse impact on the Developer's ability to use or operate the Crown Land as contemplated by the Development Plan.

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- (g) Not less than 60 days prior to the sale, lease or other transfer of a Neighboring Property, the Government shall first offer to the Developer the right to purchase, lease or otherwise acquire such Neighboring Property on the same terms as offered to, or proposed to be entered into with, a third party. Within thirty (30) days after receipt of such notice, the Developer shall provide written notice to the Government whether it will exercise its rights to purchase, lease or otherwise acquire the Neighboring Property. If the Developer exercises such right, the Developer shall consummate the applicable transaction with the Government no later than one hundred eighty (180) days after the date such notice is provided by the Developer. If the Developer does not exercise such right, or otherwise provide written notice to the Government, the Government shall be free, within one hundred eighty (180) days thereafter, to sell, lease or otherwise transfer the Neighboring Property to the third party on the same terms as originally included in the written notice that the Government provided to the Developer.
- (h) Promptly after the Effective Date, the Government shall execute the Crown Lease in a form mutually agreeable to both the Government and the Developer.

14. **CERTAIN OTHER AGREEMENTS OF THE DEVELOPER.**

- 14.1 The Developer shall use commercially reasonable efforts to assist the Government in identifying spin-off economic opportunities that are likely to result from the successful implementation of the Development.
- 14.2 The Developer acknowledges the importance of the marine environment to the Government and, therefore, shall provide an amount equal to One Hundred Fifty Thousand Dollars (USD \$150,000) to an accredited research institute as may be mutually selected by the Government and Developer. Such payment shall be made by the date that is twelve (12) months after the commencement of construction of the Terminal and/or Oil Refinery.

14.3 Commencing one month after the Developer has commenced construction of the Development, the Developer shall contribute funds in the sum of One Hundred Thousand Dollars (USD \$100,000.00) per annum to be used for community projects and the development of East Grand Bahama. There shall be established a local community advisory board to determine the use of said funds that shall be comprised of:

- (a) the Chief Councilor of the Local District Council; or
- (b) the Deputy Councilor along with another Councilor of the Local District Council;
and
- (c) one (1) representative of the Developer; and
- (d) one (1) local resident recommended by the Local District Council.

15. **REPRESENTATIONS AND WARRANTIES.**

15.1 Each of the parties warrants its power and authority to enter into these Heads of Agreement, and that these Heads of Agreement represent the legal and binding agreement of such party, enforceable against such party in accordance with its terms, except as the enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general principles of equity.

15.2 During the development of the Project, the Developer agrees to provide quarterly reports with respect to employment, construction, sales of residential lots and capital injection into the Project to the Ministry of Finance with copies to the Bahamas Investment Authority and to the Secretary of the National Economic Council and in accordance with Section 10.

15.3 Either party, upon receipt of a specific request in writing from the other, shall provide such information as the requesting party shall reasonably require enabling such party to monitor compliance of the other with the relevant terms of these Heads of Agreement.

15.4 The Developer hereby represents and warrants to the Government that:

- (a) the execution, delivery and performance of these Heads of Agreement by the Developer does not contravene any of the Developer's respective organizational documents, and that the Developer has all requisite power, authority and legal right to conduct the Developer's business, to own the Developer's properties and to execute, deliver and perform the Developer's obligations under these Heads of Agreement; and
- (b) there are no actions, suits or proceedings pending or threatened against or affecting the Development which could reasonably be expected to have a material adverse effect on the ability of the Developer to meet and carry out its obligations under these Heads of Agreement.

15.5 The Government hereby represents and warrants to the Developer that:

- (a) the execution, delivery and performance of these Heads of Agreement by the Government is not in contravention of any law or public policy of the Commonwealth of The Bahamas, and the Government has all requisite power, authority and legal right to incur the obligations under these Heads of Agreement, and to execute, deliver and perform the Government's obligations under these Heads of Agreement;
- (b) there are no actions, suits or proceedings pending or threatened against or affecting the Government or any Government Authority, which could reasonably be expected to have a material adverse effect on the ability of the Government or any Government Authority to meet and carry out its or their obligations under these Heads of Agreement;
- (c) prior to the execution of these Heads of Agreement, neither the Government nor any Government Authority has with respect to the Crown Land: (i) performed or permitted any grading or excavation, construction, or any other change or improvement; (ii) created or incurred, or suffered to exist, any mortgage, lien,



- pledge, or other encumbrance; (iii) taken any action which would adversely affect the Crown Land; or (iv) committed any waste or nuisance at the Crown Land;
- (d) in order to issue Final Approval and for construction of the Development to commence, no Approval from any Government Authority is required, provided that the EIA and Environmental Management Plan complies with all requirements of Bahamian law and all other licences, permits and approvals have been obtained from the Relevant Governmental Agencies, including building permits; and
- (e) the Government has no knowledge of any facts, circumstances or developments that would materially and adversely impact the Developer's construction or operation of the Development.

16. **TERM; TERMINATION.**

- 16.1 These Heads of Agreement shall become effective on the Effective Date and shall continue in full force and effect, unless earlier terminated pursuant to Section 17.2, for a term of forty-five (45) years from the Effective Date, with the option for the Developer to renew these Heads of Agreement for an additional term of forty-five (45) years (hereinafter called the "Extension Period") upon written notice to the Government at any time during the one year period prior to the expiration of the initial term; provided, however, that the Developer, at the time of renewal, is in compliance in all material respects with all material conditions hereof and all other rules, regulations and laws affecting the administration of the Development; and also provided that new economic conditions for these Heads of Agreement shall become effective in the first year of the Extension Period, with the renegotiation process commencing no later than two years prior to the expiration of the initial term of these Heads of Agreement.

- 16.2 If, for any reason other than Force Majeure, the Developer is in default of any material obligations of the Developer under these Heads of Agreement for more than one hundred eighty (180) days after the Government has given written notice of such default to the Developer, then the Government may, at the Government's option, terminate these Heads of Agreement; provided, however, that the Government agrees to give written notice to the Developer's project lenders and allow such lenders an appropriate cure period (not less than thirty (30) days) before exercising its right of termination; provided, further, that the parties agree that neither the estimated investment in the Oil Refinery or the Terminal referenced in the Recitals of this Agreement shall be deemed to create or imply any material obligations herein with respect to any specific investment by the Developer, nor shall any provision in Section 3 hereof be deemed to create or imply any material obligations of the Developer.
17. **MISCELLANEOUS.**
- 17.1 **Liability and Indemnification.** As between the Government and the Developer, the Developer shall be liable for all damages occasioned to the Person and/or property of others by the operation or maintenance of any portion of the Development, howsoever caused, and in no event shall the Government be liable therefor; provided, however, that the Developer shall not be liable for any loss, cost, expense, damage or claim arising from or related to the gross negligence or willful misconduct of the Government, including all officers, employees, representatives and agents of applicable Government Authorities and any independent accredited inspection agency retained thereby (including pursuant to Section 5.6(d) or Section 7). The Government shall defend and indemnify the Developer from any and all claims, losses, liabilities, costs and expenses incurred by the Developer in connection with, related to or arising from such gross negligence or willful misconduct of the Government including all officers, employees, representatives and agents. The Developer shall defend and indemnify the Government including all officers,

employees, representatives and agents from any and all claims, losses, liabilities, costs and expenses incurred by the Government in connection with, related to or arising from such gross negligence or willful misconduct of the Developer.

17.2 **Force Majeure.** The duties and obligations of the Developer under these Heads of Agreement shall be subject to delays, hindrances or other adverse effects of any Force Majeure which may be reasonably considered to be beyond the control of the Developer. In particular, without limiting the generality of the foregoing, in the event of any circumstances of Force Majeure, the length of time under or with respect to any of the terms, conditions and agreements contained in these Heads of Agreement shall be extended for such reasonable period or periods as shall be necessary to allow the Developer to recoup any and all time lost as a result of such circumstance of Force Majeure.

17.3 **Amendment.** These Heads of Agreement may be amended from time to time only by means of supplemental agreement(s) in writing signed by each of the parties hereto.

17.4 **Expenses.** Each party shall bear its own costs and expenses incurred in connection with the preparation, negotiation and execution of these Heads of Agreement.

17.5 **Notices.** All notices hereunder shall be in writing and shall be (as elected by the party giving such notice): (i) hand delivered by messenger or courier service; (ii) sent by internationally recognized overnight courier service; or (iii) delivered by electronic mail. Notices shall be delivered to the parties at their respective addresses set forth on Schedule "A" hereto (or at such other address as a party may specify by written notice in accordance with this paragraph). Each such notice shall be deemed delivered on the date received.

17.6 **Severability.** If any provision of these Heads of Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable, the parties shall amend that provision in such reasonable manner as achieves the intention of

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the parties without illegality or, at the discretion of the parties, the provision may be severed from these Heads of Agreement and the remaining provisions of these Heads of Agreement shall remain in full force and effect.

17.7 **Recitals**. The Recitals are an integral and substantial part of these Heads of Agreement and both parties shall be bound by the Recitals.

17.8 **Entire Agreement**. These Heads of Agreement constitute the entire agreement between the Government and the Developer relating to the Development and all subject matter herein contained and supersede all prior and contemporaneous negotiations, representations, understandings and agreements, whether written or oral, between the parties.

17.9 **Non-Waiver**. Any party's failure to seek redress for violation of or to insist upon the strict performance of any provision of these Heads of Agreement will not prevent a subsequent act, which would originally have constituted a violation, from having the effect of an original violation.

17.10 **Assignment**. The Developer may assign all or any portion of its rights and obligations under these Heads of Agreement and the Crown Lease to one or more Persons approved by the Government, with such approval not to be unreasonably withheld or delayed. Notwithstanding the foregoing, the Developer may assign these Heads of Agreement and the Crown Lease, in whole or in part, subject to the Government's consent and approval in writing, which said consent shall not be reasonably withheld, to: (i) any Person that owns or controls the Developer, is owned or controlled by the Developer or is under common control with the Developer; or (ii) any lender or other financing source providing funds for the Development. Notwithstanding the foregoing, approval of assignment shall be deemed provided by the Government if no response is provided within thirty (30) days after receipt by the Government of a written request from the Developer to assign.

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- 17.11 **Binding Effect.** These Heads of Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.
- 17.12 **Change in Law.** The Developer and the Development shall not be subject to (or the Government shall, or shall cause all Relevant Government Agencies to, exempt the Developer and the Development from) any and all of the following that have a direct effect on the Developer in connection with the development, financing, construction, ownership or operation of the Development: (i) any action by a Relevant Governmental Agency which renders all or any portion of any agreement to which the Developer and the Government (and/or any Relevant Governmental Agency) are parties unenforceable, invalid or void, or that makes it illegal for any Person to receive, enjoy or enforce any material right under any agreement to which the Developer and the Government (or any Relevant Governmental Agency) are parties; (ii) a change in the manner in which a law, regulation, Approval or other legal requirement is applied, including any change in the conditions applicable to the issuance of any Approval, and any imposition of, change in, or other alteration of, the application of any taxes and fees; provided, that in the performance of its international obligations the Government reserves its sovereign right to meet its international obligations by making changes in any tax laws, and this Agreement is subject thereto; or (iii) the exercise of any rights of eminent domain, taking or the like.
- 17.13 **Right to Claim.** The Government agrees that no claim of sovereign immunity will be claimed by it or by any Government Authority in any arbitration or legal proceeding related to this Agreement, and any such immunity is hereby waived. For the avoidance or doubt, all other laws, regulations and rules applicable under the laws of The Bahamas apply to these Heads of Agreement unless expressly so excluded as if the same were hereby expressly incorporated.

- 17.14 **Subdivision of Land and Development.** Subject to Section 10.1 and receipt of the consent of all relevant Governmental agencies, including but not limited to approval of the Department of Physical Planning pursuant to the Planning and Subdivision Act, 2010, the Developer shall have the right to subdivide such portions of the privately owned Development Lands and to transfer ownership or control of such portions of the privately owned Development Lands to any other Person(s) where such subdivision or transfer would enhance or facilitate the Development, as determined by the Developer in consultation with the Government, and, in connection therewith, to assign all or any portion of these Heads of Agreement to such Person(s); provided, however, that any assignment of these Heads of Agreement in whole or in part shall be subject to Section 17.10.
- 17.15 **Further Assurances.** The parties hereto shall, at their own expense, take such further actions as are reasonably deemed by the requesting party to be necessary or desirable in order to effectively carry out the intent and purpose of these Heads of Agreement and the transactions contemplated hereby.
- 17.16 **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.
- 17.17 **Construction.** Each party hereto and its counsel has reviewed and revised (or requested revisions of) these Heads of Agreement and has participated in the preparation of these Heads of Agreement, and therefore any usual rules of construction requiring that ambiguities are to be resolved against a party shall not be applicable in the construction and interpretation of these Heads of Agreement or any schedules or exhibits hereto.
- 17.18 **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

an original and all of which counterparts taken together shall constitute one and the same agreement.

- 17.19 **Governing Law and Consent to Jurisdiction.** These Heads of Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of The Bahamas and if any suit or legal action is commenced by either party, the other party agrees, consents and submits to the exclusive jurisdiction of the courts of the Commonwealth of The Bahamas.
- 17.20 **Dispute Resolution.** Any dispute arising out of or in connection with these Heads of Agreement which is not resolved by the parties within 45 days of notice of such dispute being served in accordance with the terms of this Agreement shall be referred to and finally resolved by arbitration and shall be governed by the provisions of the Arbitration Act, 2009 of The Bahamas. It is further agreed that:
- (i) The number of arbitrators shall be three with each party appointing one and the two together appointing the third, unless the parties agree to a single arbitrator;
 - (ii) The seat or legal place of the arbitration shall be Nassau, New Providence, The Bahamas;
 - (iii) The language to be used in the arbitral proceedings shall be in English;
 - (iv) The UNCITRAL Model Rules on Arbitration (as revised in from time to time) shall be the rules for the conduct of the arbitration; and
 - (v) an appeal on substantive jurisdiction, serious irregularity, and a point of law shall be permitted pursuant to the Arbitration Act, 2009 of The Bahamas.
18. **CONFIDENTIALITY.** The Government shall, and shall cause the Relevant Governmental Agencies and their representatives to, hold, in confidence any and all confidential or proprietary information, whether written or oral, concerning the Development, except to the extent that the Government can show that such information (i) is generally available to the public as of the Effective Date, or at any subsequent date through no fault of the Government, any Relevant Governmental Agency or representative; or (ii) is lawfully acquired by the

Government from and after the Effective Date from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation in favor of the Developer; or (iii) except to the extent that it is contained in these Heads of Agreement.


19. **LEGAL OPINION.** Concurrently with the execution and delivery of this Agreement, the Office of the Attorney General of The Bahamas shall deliver a legal opinion to the Developer in form and substance satisfactory to the Developer and addressing the matters identified in Schedule "E" hereto.
20. **PUBLIC RELEASES.** The parties shall use their respective best endeavours to consult and cooperate with each other with regard to all written and oral press releases or other mediums of communication in any way related to the Development.

* * *


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IN WITNESS WHEREOF, the undersigned have executed these Heads of Agreement as of the Effective Date set forth above.

THE GOVERNMENT OF THE COMMONWEALTH
OF THE BAHAMAS

By: 
Name: CAMILLE F. JOHNSON
Title: SECRETARY TO THE CABINET /
SECRETARY TO THE NATIONAL ECONOMIC
COUNCIL

OBAN ENERGIES, LLC

By: 
Name: Satpal Dhunna
Title: President

INDEX OF SCHEDULES

Schedule "A" - Notice Addresses

Schedule "B" - Boundary Survey (TO BE PROVIDED IN A SUPPLEMENTAL AGREEMENT)

Schedule "C" - Neighbouring Properties (TO BE PROVIDED IN A SUPPLEMENTAL AGREEMENT)

Schedule "D" - Performance and Job Milestones

Schedule "E" - Requirements of Attorney General's Legal Opinion

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Schedule "A"

Notice Addresses

If to the Government, to the following address:

The Government of the Commonwealth of The Bahamas
Permanent Secretary in the Office of the Prime Minister
Sir Cecil Wallace Whitfield Centre
P.O. Box N-7770
West Bay Street
Nassau, The Bahamas
Email: []

With a copy to:

The Secretary to the Cabinet
Cabinet Office
P.O. Box N-7147
Churchill Building, Rawson Square
Nassau, The Bahamas
Email: camillejohnson@bahamas.gov.bs

If to the Developer, to the following address:

Oban Energies, LLC
c/o Oban Energies, LLC
3801 PGA Boulevard
Suite 600
Palm Beach Gardens, Florida, 33410, U.S.A.
Attention: Satpal Dhunna, President
Email: SatpalD@ObanEnergies.com

With a required copy (not constituting notice) to:

COTTISLAW
No.1, "Caves Professional Centre"
West Bay Street & Blake Road
P.O. Box AP-59223 Slot #368
Nassau, New Providence
The Bahamas
Attention: Gregory I. H. Cottis, Esq.
E-mail: greg@cottislaw.com

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and

Andrews Kurth Kenyon LLP
450 Lexington Avenue
New York, NY 10017
Attention: Richard Kronthal, Esq.
Email: RichardKronthal@andrewskurth.com

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Schedule "C"
Neighbouring Properties

[See attached]

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MATCH										
Phases	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Infrastructure			40%	60%	Online					
Phase One (RM B&I)		20%	20%	20%	40%	Online				
Ship Dock A1		20%	20%	20%	40%	Online				
Refinery (50,000 b/d)			10%	60%	30%	Online				
Phase Two (16M B&I)			20%	20%	20%	40%	Online			
Ship Dock B2			10%	20%	30%	40%	Online			
Refinery (75,000 b/d)				10%	60%	30%	Online			
Phase Three (+10M B&I)						10%	25%	25%	40%	Online
Refinery (125,000 b/d)						10%	30%	30%	30%	Online
										Total Jobs
										50
										40
										50
										50
										60
										50
										75
										100
										125
										600

1. In the event the Development does not reach both the project and employment milestones identified above for each Measurement (as defined below), the Tax Concessions (as defined in Section 12.2(b)) shall be subject to percentage reduction equal to the aggregate percentage of missed project and employment milestones. The reduction shall be computed in accordance with the formula: $(X/Y) \times 100$ where X = project milestone percentage, Y = employment milestone and Z = Tax Concessions, subject to a 5% reduction floor rate.

Illustration: Year 1, the Development misses project milestones by 5% and employment milestones by 10%, while the Tax Concessions, after 20%, then the Tax Concessions reduction in the example shall be computed as follows: $(5/10) \times 100 = 50\%$.

2. For the purposes of the Tax Concessions reduction, measurement shall be made at the end of each consecutive two (2) year period for each identified phase for which a reduction shall be granted (the "Measurement Period").

3. The total jobs at risk are 600, and Urban hereby confirms an employment ratio that is consistent with 85% (thathamans p.e. 480).

Signature

Schedule "E"

Requirements of Attorney General's Legal Opinion

The legal opinion required pursuant to Section 19 shall address the following:

- The Commonwealth's entry into the HOA and the execution, delivery and performance by the Commonwealth of the HOA has been duly authorised by all necessary legislative, administrative and other governmental action and are within the necessary legislative, executive, administrative and other governmental authority for same, and the HOA constitutes a legal, valid and binding obligation of the Commonwealth, enforceable in accordance with its terms subject to applicable laws and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;
- The Commonwealth has full power and authority to execute, deliver and perform the HOA and any other documents and instruments to be executed by the Commonwealth pursuant to the HOA and to incur the obligations undertaken by the Commonwealth and to perform and observe the provisions of the HOA; and
- the HOA is the legal, valid and binding obligation of the Government enforceable in accordance with its terms.

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