

COMMONWEALTH OF THE BAHAMAS

Paradise Island

MANAGEMENT AND MARKETING AGREEMENT

This Agreement is made the 14th day of November, A.D. 2007 between the MANAGEMENT COMMITTEE of the PARADISE ISLAND BEACH CLUB (hereinafter called "the Committee") of the one part and PIBC MANAGEMENT LIMITED a company incorporated under the said laws (hereinafter called "the Management Company") of the other part.

WHEREAS:

- (A) The Committee by virtue of the Constitution of the Paradise Island Beach Club (hereinafter called "the Club") has the power to do all things that may be necessary for the carrying out of the objectives and general management of the Club including delegating to a management company such powers as may be appropriate to enable such a management company to perform the Committee's functions
- (B) The Committee seeks to delegate the functions noted in this agreement.
- (C) The Management Company would like to accept such functions from the Committee.

NOW THEREFORE IT IS AGREED AS FOLLOWS:-

In consideration of the premises and mutual covenants made herein, the Management Company and the Committee hereby agree as follows:-

1. Definitions. The following terms used in this Agreement shall have the meanings indicated:

"*The Club*" means the timeshare resort known as the Paradise Island Beach Club located on Ocean Ridge Road, Paradise Island and comprising forty-four (44) 2 bed / 2 bath condominium units, two (2) swimming pools, a welcome center and various other facilities.

"*Rental Proceeds*" means the daily room charges billed. It does not include room taxes, housekeeping charges, energy surcharges, nor telephone, fax, room service, food and beverage or other charges paid by any guest occupying the Unit nor credit card charges (processing fees) or the like.

"*Sales Proceeds*" means the contract price for the vacation certificate.

"*Vacation Certificate*" means the document which entitles the member to occupy one of the 2 bed / 2 bath condominium units for one (1) week per year (4:00pm Saturday to 10:00am the

following Saturday in a specified season (Winter or Summer or Swing) with a specified view (Ocean or Sun) until the expiration of the Certificate but in no case beyond December 31, 2032 A.D.

2. Appointment and Acceptance of Management Company.

The Committee hereby employs the Management Company to act on behalf of the Committee and the Members of the Club as the exclusive managing entity of the Club and to manage the daily affairs of the Club, and the Management Company hereby agrees to so act. All duties to be performed by the Management Company under this Agreement shall be for and on behalf of, in the name of and for the account of the Club. In taking any action under this Agreement, the Management Company shall be acting only on behalf of the Club, and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement except that of independent contractor providing services for the Club. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, however, in furtherance of the intentions of the parties hereto, the Management Company is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

3. Term.

This Agreement shall commence January 1, 2008 and shall continue for an initial term of One (1) year from such date. No later than Two (2) months prior to the expiration of the said initial term the Management Company may submit a written request to the Committee for a renewal of this Agreement for a further term of Three (3) years from the expiration of the said initial term and if at the time of such request there shall not be any existing breach or non-observance of any of the terms of this Agreement, the Committee shall grant the Management Company such a renewal subject only to agreement of Fees. No later than Six (6) months prior to the expiration of the said Three (3) year renewal the Management Company may submit a written request to the Committee for a second renewal of this Agreement for a further term of Five (5) years from the expiration of the renewed term and if at the time of such request there shall not be any be any existing breach or non-observance of any of the terms of this Agreement, the Committee shall grant the Management Company a renewal for a such a term subject only to agreement of Fees.

4. Delegation of Authority.

The Management Company, on behalf of and at the expense of, the Club, to the exclusion of all other persons including the Club and its members, shall have all the powers and duties of the Committee as set forth in the Constitution and the Bylaws of the Club (except such thereof as are specifically required to be exercised by the Committee or the members), and it shall perform, by way of illustration and not of limitation, the following services:

- (A) Hire, pay, supervise and discharge all persons necessary to be employed in order to properly manage, maintain, administer and operate the Club. The Management Company will inform the Committee of such personnel changes at the Club.

- (B) Take such action as may be necessary to comply with all insurance requirements affecting the Club.
- (C) Contract for utilities, repairs and other services necessary for the management, maintenance, administration and operation of the Club. Such contracts may be in the name of the Club or the Management Company, as the Management Company may elect.
- (D) Purchase, lease or rent, on behalf of the Club, equipment, tools, vehicles, appliances, goods, supplies, furnishings, furniture, and materials as shall be reasonably necessary to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the Club Property. Purchases shall be in the name of the Management Company, or the Club, as the Management Company shall elect.
- (E) Place or keep in force all insurance required or permitted in the Constitution; to act on behalf of the Club; to adjust all claims arising under said insurance policies; to otherwise exercise all of the rights, powers and privileges of the insured parties; to receive, on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Constitution.
- (F) Maintain or provide for the maintaining of the Club's financial record books, accounts and other records, and as necessary, prepare member vacation certificate(s) to be signed and approved by the Committee. These books and records shall be maintained at the Club and shall be available for inspection by the Committee at reasonable times. Such records are to include:
1. A reconciliation of funds received and disbursed the prior month
 2. A digital copy of each check issued and the supporting invoices
 3. Quarterly unaudited financial statements ended March 31st, June 30th, September 30th and December 31st by the 20th of January, April, July and October respectively for the prior three (3) months.
- (G) Arrange for an annual independent audit of all the books and financial records of the Club by a certified public accountant in accordance with generally accepted auditing standards. A copy of the audit shall be forwarded to the Committee and when instructed by the Committee made available to the members.
- (H) Prepare or provide for the preparation of the itemized annual budget for the Club and/or revisions to the budget that the Management Company determines necessary. The Management Company shall submit the annual budget (or Maintenance Fee Schedule) to the Committee, setting forth the anticipated income and expenses of the Club for the year. The budget shall clearly label the portion of any amounts due which are attributable to ad valorem taxes and special assessments. Should an increase in assessments be required or a special assessment be required during the year, the same shall be determined by the Management Company and submitted to the Committee for approval prior to billing the members.
- (I) Have sole authority and responsibility to maintain and replace the personal property within the Timeshare Units. To alter the décor and/or colors of the Units requires the

prior approval of the Committee. Notwithstanding the foregoing, all replacements shall be such as to maintain the standard of quality of the furniture and other personal property and decor of a quality substantially comparable to that contained in such Timeshare Units originally.

(J) Receive and deposit all funds collected from the Members, or otherwise accruing to the Club, in a special account or accounts of the Management Company in banks with suitable designation indicating the custodial nature thereof. The Management Company is authorized to invest collected funds on behalf of the Club; provided, however, that such investments are styled so as to indicate the custodial nature thereof. The Management Company is authorized to draw on the Club accounts for any payments to be made by the Management Company to discharge any liabilities or obligations incurred pursuant to this Agreement, for the payment of the management fee or any other disbursements properly incurred on the Club's behalf. Additionally, funds received by the Management Company from members for ad valorem taxes or special assessment shall be placed in a separate account.

(K) Cause a representative of its organization to attend membership meetings of the Committee of the Club properly called according to Bylaws of the Club.

(L) Suggest, promulgate, adopt and amend Club Rules and Regulations as it deems advisable, in its sole discretion, for the use and occupancy of the Club Property. The Management Company hereby adopts the existing Club Rules and Regulations.

(M) Cause such alterations and/or additions to be made to the Club Property, as authorized by the Committee.

(N) Retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder, and to employ same on such basis as it deems appropriate.

(O) Contract, upon such terms and conditions and for such purposes as the Management Company deems necessary, in its sole discretion, and grant concessions and licenses to persons to provide facilities and services to or within the Club Property. All income derived from the foregoing grant of concessions and licenses shall inure to the benefit of the Club, and all expenses appertaining thereto shall likewise be borne by said Club. The Management Company shall use its best judgment in entering into such agreements or in granting such concessions or licenses; provided, however, the Management Company shall not be liable because a greater sum might have been obtained or a shorter period contracted for. The Management Company shall not be precluded from dealing with entities affiliated with itself for on-site concessions or other services without conflict or self-dealing. The Management Company is expressly authorized to subcontract with one or more of its affiliates in carrying out its obligations under this Agreement.

(Q) Exercise such powers and rights as are reasonably necessary to fulfill the terms of this Agreement and as otherwise delegated to it under the terms and provisions of the Constitution or the Bylaws of the Club, or as are specifically authorized by actions of the Committee or the members themselves.

(R) If repair to the Club Property or any portion thereof, including any Units or the Common Elements, is required due to loss by Act of God or other cause, which is other than normal wear and tear, and which loss is less than "major damage," as defined in the Constitution, the Management Company shall be authorized and empowered to determine, assess, charge and levy the costs of repairing and restoring such loss among the Members in such proportions as it deems advisable, pursuant to the Constitution, notwithstanding the fact that said loss or damage was, or was not, covered by insurance. The total assessment shall be equal to the cost of said repair, which shall include the costs of the Management Company's personnel, materials and equipment, and any and all other contractors, subcontractors, or material men as are required. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repair and restoration in the proportions in which the assessments were levied. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from insurance proceeds, where such are received, and then from assessments collected, and, should there be a surplus of such funds, the said surplus shall be distributed to or on behalf of the Members, as provided in the aforesaid Constitution.

(S) Maintain a complete list of the names and addresses of all of the members.

(T) Provide a system through which Members shall make reservations for use of their Vacation Certificate(s). The Club shall bear the reasonable cost (as determined by the Management Company) of operating such a reservation system. The Management Company shall have the broadest possible delegation of authority regarding administration of the Club Reservation Procedures ("Reservation Procedures"). The Management Company shall be authorized, in its sole discretion, to suggest, promulgate, adopt and amend the Reservation Procedures, from time to time, in order to maintain uniformity of the Reservation Procedures and to more effectively fulfill reservation requests.

(U) Provide an integrated telephone system to be utilized by the Club and its members to make local and long distance calls.

(V) Enter into leases, contracts or agreements necessary for the day-to-day operation of the Resort, including leasing or purchasing space and equipment necessary to operate, for example, but not by way of limitation, laundry, housekeeping, groundskeeping, maintenance and security services. The Club shall pay all costs and expenses to maintain such operations. The Management Company may perform these responsibilities in its name or the name of the Club, as the Management Company deems appropriate.

(W) Perform such duties as may be required of a managing entity under the Club or Timeshare Acts, or as may be reasonably necessary or convenient to function as the managing entity of the Club.

5. Building Compliance.

The Management Company shall not be responsible for the compliance of the Club Property or any of its equipment with the requirements of any building codes or with any

statutes, ordinances, laws, rules, or regulations (including those relating to the existence and disposal of solid, liquid, and gaseous wastes, and toxic or hazardous substances). However, the Management Company shall notify the Committee promptly or forward to the Committee promptly any complaints, warnings, notices, or summonses received by the Management Company relating to any such matters. The Committee authorizes the Management Company to disclose the Membership of the Club Property to any such officials and agrees to indemnify, defend, and hold the Management Company, its representatives, servants, and employees, harmless from all loss, cost, expense, and liability whatsoever which may be imposed on them by reason of any present or future violation or alleged violation of such laws, ordinances, rules, or regulations.

6. Payment of Common Expenses.

The Management Company shall apply assessments collected to those items specified in the Constitution and Bylaws of the Club, including the Management Company's fee and expenses. Savings in one category of budgeted expenses may be used to offset overages in other categories.

7. Collection of Assessments.

The Club shall aid and assist the Management Company in any reasonable manner requested by the Management Company in the request, demand, making or collecting of assessments, maintenance fees, charges, late fees and/or interest which may be due the Club.

8. Denial of Use of Accommodations and Facilities.

The Management Company is authorized to deny use of the accommodations and facilities of the Club to any Member who is delinquent in the payment of any assessment against such Owner for Common Expenses or for ad valorem real estate taxes and may deny such use to any person claiming under such delinquent Member. The Management Company is also authorized to rent any delinquent Member's assigned unit week and apply the rental income towards the Management Company's customary rental commissions, cleaning charges, travel agent commissions, or any other commercially reasonable charges and all costs and expenses incurred by the Management Company in connection with the rental. The Management Company is not required to obtain the highest nightly rental rate available, nor any particular rental rate. However, the Management Company must use reasonable efforts to secure a rental that is commensurate with other rentals of similar timeshare periods. The Management Company shall not be required to rent the entire timeshare period.

9. No Advances by Management Company.

The Management Company shall not be required to pay Common Expenses from its own funds, and shall only be required to perform its services and to make disbursements to the extent that, and so long as, payments received from assessments or other revenues, if any, of the Club are sufficient to pay the costs and expenses of such services and the amounts of such disbursements. If it shall appear to the Management Company that the assessments and other

revenue, if any, of said Club and its members are insufficient, the Management Company shall forthwith determine such additional assessment as is required and advise the Committee of the Club and its members. Any funds that may be advanced to the Club by the Management Company shall be repaid at the earliest possible date and shall bear interest at the rate of eighteen percent (18%) per annum.

10. Compensation.

For its management services hereunder, the Management Company shall receive an annual net fee of One Hundred Sixty Thousand Dollars (\$160,000), free from all charges and expenses with the exception of the remuneration to the General Manager and the Assistant General Manager. The Management Company shall receive such management fee on a monthly basis. This fee is subject to review at each renewal.

In addition to the above, for marketing and managing the rental of units at the Club assigned to members by virtue of their Vacation Certificate and such members executing a rental agreement, The Management Company is entitled to a charge and collect a Marketing Fee of 30% of the Rental Proceeds.

In addition to the above, for marketing and selling Vacation Certificates for those members executing a listing agreement with the Management Company, the Management Company is entitled to charge and collect a Sales Fee of 25% of the Sales Proceeds. The Management Company agrees to pay the Club 20% of the 25% sales commission earned.

For financing the inventory and operating the convenience store (hereinafter called "the Mini Mart") and the kitchen located by the beach pool (hereinafter called "the Snack Bar") and in lieu of paying rent and utilities associated with these operations, the Management Company agrees to pay the Club Fifty Percent (50%) of the net profit, but not less than \$24,000 per year.

11. No Interference.

The Club shall not interfere, nor allow or cause any of the members of the Committee to interfere, with the Management Company in the performance of its duties or the exercise of any of its powers hereunder.

12. Default by Club.

If the Committee or Members of the Club, shall interfere with the Management Company in the performance of its duties and exercise of its powers hereunder, or if the Committee shall fail to promptly do any of the things required of it hereunder, then the Management Company, fifteen (15) days after having given written notice to the Committee, may declare this Agreement in default, unless such default is cured by said Committee within fifteen (15) days after such notice. Upon default, the Management Company may, in addition to any other remedy given it by agreement or in law or in equity, bring an action against the Committee and its members for damages, specific performance, injunctive relief and/or such other rights and remedies as it may have. All of such rights of the Management Company upon default shall be cumulative, and the

exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

13. Default by Management Company.

Failure by the Management Company to substantially perform its duties and obligations under this Agreement for a continuous period of Fifteen (15) days after written notice of default from the Committee, specifying the default complained of, and the Management Company's failure to take steps to cure same, shall be grounds for the Committee's cancellation of this Agreement.

14. Excusable Delays.

In the event that the Management Company shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, Act of God, or any other reason beyond the Management Company's control, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

15. Indemnity.

Neither the Management Company nor any affiliated entity shall be liable to the Committee or the Club or the Members for any loss or damage not caused by the Management Company's own willful misconduct, and the Committee do hereby indemnify and save harmless the Management Company and any other affiliated entities from any such liability for damages, costs and expenses arising from injury to any person or property in, about and in connection with the Club from any cause whatsoever, including the negligence of the Management Company or its employees, or from the theft or disappearance of the personal property of the Club or the Members.

16. Special Charges.

The Management Company shall be authorized to impose a special charge against a Member or Guest for repair or replacement of Common Elements or property of the Club caused, in the opinion of the Management Company, by the negligence or misuse of a Member or Guest, their family, guests, lessees or invitees; or failure, in the opinion of the Management Company, of a Member to maintain those portions of their Unit as they are required to maintain; or violation of the provisions of the Constitution which require the removal of same by the Management Company or which increase the costs of maintenance and repair by the Management Company, or increase insurance rates.

17. Management Company Assumes No Liability.

The Management Company assumes no liability whatsoever for any acts or omissions of the Committee, or any previous Committees or current or previous Members of the Club, or any previous management company or previous agent of either. The Management Company assumes no liability for any failure of or default by any Member in the payment of any assessment or other charges due the Club. The Management Company likewise assumes no liability for any failure of or default by concessionaires in any rental or other payments to the Club. Nor does the Management COMPANY assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect.

18. Conflicting Provisions.

The invalidity in whole or in part of any provision of this Agreement shall not affect the validity of the remaining portions hereof. The applicable terms and provisions of the Constitution or the Rules and Regulations shall be deemed paramount to the terms and provisions of this Management Agreement and, where applicable, the terms and provisions of this Management Agreement shall be deemed amended to comply with the foregoing.

19. Time of Essence.

Time is of the essence in every particular of this Agreement, and especially where the obligation is to pay money.

20. Amendment of Documents.

The Committee shall not propose that any amendments be made to the Club Documents which impair or prejudice the rights of the Management Company without the prior written consent of the Management Company.

21. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Management Company and the heirs, administrators, successors and assigns of the Club.

22. Survival of Provisions.

All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require the Club to have insured or to defend, reimburse, or indemnify the Management Company shall survive any termination; and if the Management Company is or becomes involved in any proceeding or litigation by reason of having acted on behalf of the Club, such provisions shall apply as if this Agreement were still in effect.

23. Miscellaneous.

(a) No Oral Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both Committee and Operator.

(b) Waiver. No waiver of any of the provision of this Agreement shall operate as a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided in this Agreement, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

(c) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement.

(d) Headings. The headings and section numbers in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

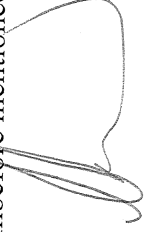
(e) Severability. Any provision of this Agreement, which is unenforceable in any jurisdiction, shall be ineffective in such jurisdiction to the extent of such unenforceability without invalidating the remaining provisions of this Agreement. Any unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

(f) Counterparts. This Agreement may be executed in Two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) Applicable Law. The rights and obligations of the parties to this is Agreement shall be governed, and construed in accordance with, the laws of the Commonwealth of The Bahamas, without giving effect to any conflicts or choice of laws principles which otherwise might be applicable and the Courts of the said Commonwealth shall be the exclusive forum for the determination of all matters arising hereunder.

(h) Notices. Whenever any notice, consent approval or other communication is required to or may be given or delivered pursuant to this Agreement, such notice or other communication shall not be effective unless in writing, signed by or on behalf of the person giving the notice or other communication or its agent. It shall be deemed to have been given on the earlier to occur of the date of the actual delivery, the fifth day after mailing by next-day delivery with an internationally recognized overnight mail service, if sent via facsimile or e-mail, upon receipt of confirmation that the facsimile or e-mail has been transmitted in its entirety, or, if mailed by regular mail, Fifteen (15) days after the date mailed by certified or registered mail, return receipt requested, with postage prepaid. If same is to be given to the Committee by post it shall be to the address provided to the Management Company and if same is to be given to the Management Company by post to P.O. Box CR-56766 Suite 1226, Nassau, The Bahamas, or to such other address as either party may designate by notice to the other party in accordance with this Section.

IN WITNESS WHEREOF the Common Seal of PIBC MANAGEMENT LIMITED has been affixed hereto the day and year first hereinbefore mentioned.



The Common Seal of PIBC MANAGEMENT LIMITED was affixed hereto by CHRISTOPHER E. LIGHTBOURN the President of the Company and the said CHRISTOPHER E. LIGHTBOURN signed his name hereto in the presence of:-



IN WITNESS WHEREOF THE MANAGEMENT COMMITTEE OF THE PARADISE ISLAND BEACH CLUB has hereunto affixed its signature the day and year first hereinbefore mentioned.



ALAIN REHDER a duly authorized representative of THE MANAGEMENT COMMITTEE OF THE PARADISE ISLAND BEACH CLUB hereto signed in the presence of:-

