



COMMERCIAL LAW ADVOCATES

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28th March, 2014.

VIA EMAIL: grunowkeylargo@gmail.com

The Board of Directors,
Bimini Bay Phase 1-C(3)
Condominium Association Limited,
c/o John Grunow,
Ad Hoc Committee – BBHOA,
Bimini Bay Subdivision,
North Bimini,
The Bahamas.

Dear Sirs,

Re: ENGAGEMENT LETTER
Bimini Bay Phase 1-C(3) Condominium Association Limited

Having acted as Consultant Counsel of the Ad-Hoc Committee of Condominium Unit Owners ("*Ad-Hoc Committee*") of the Bimini Bay Homeowner's Association Limited ("*the Master Association*") of the Bimini Bay Subdivision on North Bimini, The Bahamas ("*the Subdivision*") in strategizing and causing for the correct steps to have been taken leading to the election and appointment the first Board of Directors of the **Bimini Bay Phase 1-C(3) Condominium Association Limited ("Phase 1-C(3)")** on 8th March, 2014, we have now been invited by the Ad-Hoc Committee to formally indicate our willingness, which we do hereby do, to being continually engaged as Counsel for **Phase 1-C(3)** in order to give effect to the following objectives:-

1. Ensuring that there is a valid and seamless **transfer of control** of Phase 1-C(3) from developer RAV Bahamas Limited ("*RAV*") over to Phase 1-C(3) whereby its Board of Directors, only established in March 2014 for the first time since its creation in 2004, can identify all rights or restriction appurtenant to the defined property belonging to Phase 1-C(3), inclusive of the relevant common areas as described in the respective condominium and subdivision documents lodged with the Bahamas Registrar General; and
2. Exploring, with a view to determining and implementing, the most efficient process and design by which Phase 1-C(3) can be lastingly **merged** with the other ten (10) Condominium Associations of the Subdivision (*together referred to as "the Merged Associations"*) geared toward achieving a lasting positive impact on the quality of life in Bimini Bay Subdivision and the investment of homeowners; and
3. Determining the exact location, measurement and dimensions of all of the **common areas** (*ie. roadways, pathways, pools, beach access, green-space and parks*) of the Subdivision that are exclusive to the use of homeowners thereof; and

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4. Correcting the defects in documents affecting the common root of title in condominium units as well as significant differences and inconsistencies in their respective bye-laws, one compared to the other, and seeing to the regularization of the same, thereby lifting the ongoing impediment to those condominium units being sold in the normal course of things; and
5. Safeguarding, protecting and enforcing all statutory and accrued rights and entitlement and obligations of Phase 1-C(3) and the Owners of Condominium Units therein in terms of what is set out in the said condominium and subdivision documents, particularly its bye-laws and the provisions of the Law of Property and Conveyancing (Condominium) Act, 1965, inter alia, in relation to engaging property managers, and taking a conveyance of all of the common areas and attending rights related thereto, against all and sundry; and
6. Taking all reasonable steps, inclusive of legal action before the Supreme Court of The Bahamas, other Tribunals or Arbitrators toward preserving and securing the corpus of the assets of the Merged Associations from defalcations, inclusive of cash assets and other realisable assets (*ie. receivables*) in the care, custody or control of Messrs. KW Property Management & Consulting for the immediate access and use of Phase 1-C(3) and the Merged Associations for use in pursuance of the purposes set out herein as directed by those empowered to so do; and
7. In accordance with the purposes of the intended Merged Association, creating a legal entity under the laws of The Bahamas and see to it being duly licensed and permitted under the relevant statutory agencies so as to receive and manage all maintenance fees in a transparent manner; and
8. methodically taking all steps necessary to rectify all of the injustices perpetrated against the Condominium Unit Owners of Phase 1-C(3), inclusive of:-
 - (a) restoring unaccounted for maintenance fees that has been collected and utilized in pursuance of a purported management agreement which, on its face, appear to be substantively void; and
 - (b) requiring from Messrs. KW Property Management and Consulting, the production of:-
 - (i) uncertified audits, financials and budgets for maintenance management of the common areas of the Subdivision; and
 - (ii) duly recorded Declarations of Condominium for each condominium association; and
 - (iii) an up-to-date list of the names and contact information of the owners of the units in each of the condominium associations; and
 - (iv) a report of the last certified audit conducted at the instance of the said KW Property Management and Consulting of these respective condominium associations; and
 - (v) a print out of the balances of the bank accounts held and operated by the said KW Property Management and Consulting with respect to maintenance fees paid to them by Condominium Units Owners of the Merged Associations, to be distinguished from those bank accounts in existence for the Bimini Bay Homeowners Association Limited, a company incorporated under laws of the said Commonwealth; and
 - (vi) Certified copies of the Memorandum and Articles of Association of Bimini Bay Homeowners Association Limited; and

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- (vii) a copy of the agreement by which the said KW Property Management and Consulting is currently engaged as manager of the Merged Associations now that they have provided a copy of a purported Condominium Management Agreement dated 10th March, 2006 between two entities referred to therein as “Bimini Bay Condominium Association Phase 1-B(3) Limited” and “Bimini Bay Management Limited”; and
- (viii) copies of the resolutions of Phase 1-C(3) by which the said KW Property Management and Consulting was authorized to:-
 - (a) open and operate bank accounts in name of Phase 1-C(3), whether in The Bahamas, the United States of America or other jurisdiction; and
 - (b) collect and keep maintenance fees paid by Condominium Unit Owners in the name of Phase 1-C(3); and
 - (c) pay monies to any and all third-parties for the purposes of the maintenance of common areas appurtenant to Phase 1-C(3); and
- (ix) copies of any and all permits from the Central Bank of The Bahamas for Phase 1-C(3) to hold and/or operate a US-Dollar bank account in The Bahamas, or to open and/or operate banking facilities in the United States of America for the collection of maintenance fees of and for its common areas; and
- (x) a list of all transactions and copies of the related deeds of conveyance or lease by which any portion of the common areas of the Subdivision was sold to another party or otherwise encumbered; and
- (xi) a list of the persons against who they have proceeded for unpaid maintenance fees since taking over the management of the Subdivision.

We are pleased to say that we do hereby accept your instructions.

For these purposes, we require an initial non-refundable retainer of Ten Thousand Dollars (\$10,000.00) which shall stand as payment against our last fee note to Phase 1-C(3) for this matter although the PAYMENT of the same shall be DEFERRED until after the said KW Property Management and Consulting has been made to or willingly makes payment to us. This offer is conditioned on Phase 1-C(3) joining with the other 10 Condominium Associations in the collective effort to achieve the same said goals.

Additionally, with the creation of the Merged Associations, we shall do our part in minimizing ongoing costs by treating the Merged Associations as ONE CLIENT for our billings and professional time spent plus all expenses and disbursements incurred by us, whether directly or by third parties at our instance for the purposes set out herein (*paid in advance where possible*).

Further, at some time in the future, we are prepared to enter an agreement with the Merged Associations for a fixed monthly sum along with other benefits and upon other terms that can be mutually beneficial to the Merged Association and our firm. This is predicated on the Merged Association gaining legal status as a juridical entity.

The effective date of our engagement with Phase 1-C(3) shall be retroactive to the date we first provided services in respect of the purposes set out hereinabove. Further, although Phase 1-C(3) shall be required to execute an Attorney-Client Agreement, the signatures of at least two (2) members of the Board of Directors shall be deemed as binding Phase 1-C(3) in respect of our having been engaged for the said purposes. The date at the beginning of the Contract is for reference only.

Bimini Bay Phase 1-C(3) Condominium Association Ltd.
c/o Mr. John Grunow - Ad Hoc Committee - BBHOA
28th March, 2014

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Phase 1-C(3) would be expected to fully indemnify us, our associates and consultants who work with us on Bimini related matters.

To approve and accept these terms, two (2) Members of the Board of Directors of Phase 1-C(3) are required to sign at the foot hereof and cause payment to be made by wire transfer payable to "Commercial Law Advocates" via the following instructions:

J.P. MORGAN CHASE BANK
NEW YORK, N.Y.,
ABA 021000021
CHASUS33

FURTHER CREDIT TO:
SCOTIA BANK BAHAMAS LTD
NASSAU, BAHAMAS
SWIFT ADDRESS NOSCBSNS

COMMERCIAL LAW ADVOCATES
CLIENT ACCOUNT NO. 4002821
BRANCH TR: 70045

When being engaged as Consultant Counsel to the said Ad-Hoc Committee, we were also asked to address certain matters that could be regarded as a conflict of interest. We have done so in the addendum hereto for your convenience.

In the circumstances, we see no impediment, according to Bahamian law on conflict of interest of Attorneys with former or existing clients to our acting for Phase 1-C(3) in respect of the matters set out herein. In the end, however, it is a matter solely for the Board of Directors of Phase 1-C(3).

We thank Phase 1-C(3) for its consideration and look forward to being engaged for the matters and on the basis set out hereinabove. Naturally, the sooner we are able to establish our professional relationship by receiving confirmation of same via email, we are able to cause for an immediate commencement of the matters referred herein without delay.

Thank you for choosing our firm.

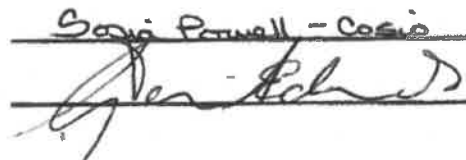
Yours sincerely,

COMMERCIAL LAW ADVOCATES,


KEOD SMITH

KS/ac

Accepted on behalf of Phase 1-C(3) by:


Sergio Petrucci - Cosia