



For the benefit of our much valued clients:

KEY SALIENT SECURITY CHARACTERISTICS\*

(\*The below is a preliminary review of an upcoming offering. Details are subject to change.)

**\*\*REFINANCING\*\***

December 10, 2018

ISSUER	Nassau Airport Development Company Limited
SECURITY TYPE	Participating Debt Notes (BSD)
OFFERING SIZE	\$139,100,000.00
PAR AMOUNT/ ISSUE PRICE	\$1,000.00
MINIMUM SUBSCRIPTION	\$50,000.00 (increments of \$10,000 thereafter)
OFFERING PERIOD	Opens: December 10, 2018 Closes: December 21, 2018
INTEREST RATE	7.5% (Fixed Rate, payable quarterly, subject to accrual)
LISTED EXCHANGE	None
USE OF PROCEEDS	The proceeds of the notes will be used to refinance existing participating debt along with the payment of fees related to the issuance.
RANKING	The new Participating Debt (BSD) will be fully subordinated in respect of payment and security to the Senior Facilities (see extract of Long Term Debts below)
<b>Important Note:</b>  NAD is seeking to refinance its existing Series B Participating 13% Debt Facility Notes (USD) debt at a fixed interest rate of 7.5%. Interest payout is scheduled to be quarterly, based on available cash flow. Any interest not paid will be accrued and added to the principal, and paid when cash flow is available.  Investment in NAD Participating Debt, yielding 7.5%, seeks to replace the existing 13% notes and obviously has potential rewards, but also large potential risk. This investment is not suitable for everyone. You must be aware of the risks and be willing to accept them in order to invest in these Notes. These risks include but are not limited to: Liquidity risk, Default risk and Event risk. Before deciding to invest in these Notes you should carefully consider your risk appetite, investment objective, requirement for income and level of investment experience. The possibility exists that you could sustain a loss of some or all initial investment and therefore you should not invest money that you cannot afford to lose.  This investment in NAD Participating Debt will be registered in the name of Colina Financial Advisors Ltd., an omnibus account for all of CFAL participating clients. Clients considering investing in NAD Participating Debt, via CFAL, should be advised that this investment must be held to maturity (2035) and will not be traded.	

SELECTED HISTORICAL FINANCIAL INFORMATION

(Long Term Debts)

	Interest rates	Maturity dates	Original Loan Amount	Balance at 30 June 2018	Balance at 30 June 2017
			\$	\$	\$
<b>Long-term portion</b>					
Senior debt notes:					
USD senior notes	8.50%	December 31, 2031	12,000,000	9,300,000	9,900,000
USD senior notes	7.00%	November 30, 2033	165,000,000	143,550,000	149,325,000
USD senior notes	6.34%	March 31, 2035	113,000,000	103,112,500	106,502,500
USD senior notes	6.44%	June 30, 2035	90,000,000	82,800,000	85,500,000
BSD senior notes	8.50%	December 31, 2031	30,000,000	23,250,000	24,750,000
BSD senior notes	6.34%	March 31, 2035	22,000,000	20,075,000	20,735,000
Participating debt notes:					
USD participating – Series A	13.00%	March 29, 2034	10,000,000	15,245,986	13,678,176
USD participating – Series B	13.00%	March 29, 2034	50,000,000	94,822,619	83,435,660
BSD participating	13.00%	March 29, 2034	10,000,000	15,245,986	13,678,176
<b>Total</b>			<b>502,000,000</b>	<b>507,402,091</b>	<b>507,504,512</b>

***Note:*** The intent of this summary is to inform our investors. The information does not represent investment advice and is subject to amendment without notice. As with all investments, there are associated risks and you could lose money investing. Prior to making any investment, a prospective investor should consult with their own advisers to evaluate independently the risks, consequences and suitability of that investment.

# **PRIVATE PLACEMENT MEMORANDUM**

December 10, 2018

## **Nassau Airport Development Company Limited**

Windsor Field Road  
P.O. Box AP-59229

Nassau, N.P., The Bahamas



**US\$/B\$ 139,100,000 OFFERING**

**7.50% PARTICIPATING DEBT NOTES**

THIS OFFERING OPENS December 10, 2018

THIS OFFERING CLOSES December 21, 2018

Nassau Airport Development Company Limited (“NAD” or the “Company”) is offering: (a) 7.50% 17-Year participating debt notes in an aggregate principal amount of US\$ 61,157,003 and (b) 7.50% 17-Year participating debt notes in an aggregate principal amount of B\$ 77,942,997 (together, an aggregate principal amount of US\$/B\$ 139,100,000) (“Notes”) as part of a USD / B\$ 133,434,991 refinancing of the Original Participating Debt Notes. The Notes will be Compounding to the extent that Interest is due but not paid on any due date.

The Notes are 17-year participating debt notes maturing December 31, 2035, with an annual Interest rate of 7.50% (calculated on the basis of a 360 day-year comprised of twelve 30-day months for actual number of days elapsed) payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, commencing March 31, 2019. Interest shall only be payable by the Company to the extent that there is sufficient available cash flow for such purposes from funds on deposit in the Company’s Reserve Accounts. To the extent that Interest is not paid in cash when due, such unpaid Interest shall be capitalized and the Principal amount outstanding under the Notes shall be increased in the amount equal to such capitalized Interest.

The total balance of the Notes is due and payable on December 31, 2035. There are no scheduled principal payments although the Company may elect to make payments prior to maturity from its available cash flow, provided the Company is in compliance with all its financial covenants related to the senior debt holders. The Company will be obliged to make pre-payments of principal upon the satisfaction of certain conditions more particularly described below. Amortization on the Notes is based on a cash flow sweep that is paid quarterly with excess cash flow after senior debt service.

The Notes will be secured obligations of the Company and will rank behind the Senior Secured Facilities.

**There are certain risks associated with investment in these Notes. See “Risk Factors” herein. Investors should evaluate these matters before making a purchase.**

The Company is a limited liability company established under the provisions of the Companies Act and is a wholly owned subsidiary of the Airport Authority.

This Private Placement Memorandum is not required to be registered or filed with the Securities Commission of The Bahamas pursuant to Regulation 109 of the Securities Industry Regulations 2012. While this document has not been registered with the Commission, a copy will be filed with the Commission. However, the Commission has not checked and will not check the accuracy of the statements made herein and accepts no responsibility therefor or for the financial soundness of the Company or the value of the securities concerned. Neither the Commission nor the Government has passed judgment on the merits of the offering contained in this Memorandum and therefore neither shall be liable for any statements or omissions contained herein.

The Company accepts responsibility for the accuracy of the information given as at the date hereof and to the best of the knowledge and belief of the Company (having taken all reasonable care to ensure this is the case), this information is in accordance with the facts and does not omit anything likely to affect the import of such information. Where information in this Memorandum has been sourced from a third party, such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published from that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No persons have been authorized in connection with this Offering to give any information or make any representations other than as contained in this Memorandum, and any representation or information not contained herein may not be relied upon as having been authorized by the Company or any of its affiliates. The Company does not accept responsibility for statements made otherwise than in this Memorandum.

This confidential Memorandum is intended for persons solicited by the Bahamas Placement Agent. Each such person will receive a username and password that will provide them with access to this Memorandum. The purpose of this Memorandum is to give information to potential Eligible Investors with regards to the Company and to enable such potential Eligible Investors to evaluate the proposed transaction. Under no circumstances should this Memorandum or any of its attachments or exhibits be reproduced or distributed in whole or in part to any other person, save as is necessary for the purposes of obtaining legal or tax advice about investment in the Notes or evaluating the proposed transaction. Any use of this Memorandum for a purpose other than that for which it has been published is prohibited.

This document shall be governed by and construed in accordance with the laws of The Commonwealth of The Bahamas.

Prospective investors should not treat the contents of this Memorandum as advice relating to legal or investment matters and are advised to consult their own professional advisors concerning any proposed investment in the Notes offered herein.

Investors should be aware that the value of the Notes offered herein may go down as well as up.

**All inquiries should be directed to the Bahamas Placement Agent,**

**Royal Fidelity Merchant Bank & Trust Limited, by contacting the following individuals:**

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## Definitions

In this document, unless the context otherwise requires, the following expressions have the meanings assigned to them:

“Account Control Agreements”	The (i) Bahamas Deposit Account Control and Security Agreement (the “Bahamas Agreement”); and (ii) the New York Deposit Account Control and Security Agreement (the “New York Agreement”) both of which are dated as of 30 March 2009 as amended by Amendment No. 1 dated as of 21 May 2009 and Amendment No. 2 dated as of 9 February 2011 and which were entered into by and between the Issuer, the Agents and, solely with respect to the Bahamas Agreement, Royal Bank of Canada in its capacity as the Bahamas depositary bank.
“Act”	Companies Act, 1992 (as amended).
“Additional Senior Debt”	Any additional senior debt permitted or incurred by the Company under the Senior Secured Facilities ranking pari passu in all respects with the debt incurred under the other Senior Secured Facilities.
“Affiliate”	As to the Company, any other company, association, partnership or other enterprise or government authority that, directly or indirectly, controls, is controlled by or is under common control with the Company or is a director or officer of the Company. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to vote 5% or more of the voting shares of such person or to direct or cause the direction of the management and policies of such person, whether through the ownership of voting shares, by contract or otherwise.
“Agent” or “Agents”	CIBC Trust Company (Bahamas) Limited in its capacities as Participating Debt Note Agent and Onshore Subordinated Collateral Agent and/or Citibank N.A. as Offshore Subordinated Collateral Note Agent under the Participating Debt Note Purchase Agreement.
“Airport”	The Lynden Pindling International Airport situate on the island of New Providence, The Bahamas.
“Airport Authority”	A statutory corporation duly constituted pursuant to the Airport Authority Act of 2000 of The Bahamas and otherwise in accordance with the laws of The Bahamas.
“Available PD Prepayment Amount”	As of any Interest Payment Date, the aggregate amount then on deposit in Revenue Accounts of the Company (other than proceeds of any Post-

	Completion Permitted Debt) that are (a) in excess of the greater of (i) US\$5,000,000 and (ii) 5% of the operating revenues of the Company calculated for the immediately preceding fiscal year, and (b) permitted by the terms of the Senior Secured Facilities Documents to be applied by the Company to prepay the Notes pursuant to the Account Control Agreements.
"The Bahamas"	The Commonwealth of The Bahamas.
"Bahamas Placement Agent"	Royal Fidelity Merchant Bank & Trust Limited is the Bahamas Placement Agent for this Private Placement.
"Basis of Allotment"	As described on page 16.
"BISX"	The Bahamas International Securities Exchange.
"Board" or "Board of Directors"	The Board of Directors of the Company.
"Business Day"	Any day other than Saturday, Sunday and any day which shall be in New York City or Nassau, The Bahamas, a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close in any such city.
"Casualty Event"	An event that causes any portion of the Airport or other property of the Company or any of its subsidiaries to be damaged, destroyed or rendered unfit for its intended use for any reason whatsoever.
"Clearing Banks"	Those banks which are members of the Clearing Banks Association of The Bahamas.
"Closing Date"	In respect of the Notes, December 21, 2018 or such date or dates as the Company may determine.
"Collateral"	The property (real and personal, tangible and intangible, now owned or hereafter acquired) mortgaged, assigned by way of mortgage, charged and pledged (as the case may be) by the Company in support of the Notes, subject to the rights of the Company's creditors under the Senior Secured Facilities and the terms of the Intercreditor Agreement.
"Commission" or "Securities Commission"	The Securities Commission of The Bahamas.
"Company" or "NAD" or "Issuer"	Nassau Airport Development Company Limited and, where the context requires, its successors and assigns whether immediate or derivative.

“Compounding”	In reference to interest, compounding means in the event Interest is not paid, or is only partially paid, the unpaid Interest will be added to the Principal amount outstanding (Compounding feature) and Interest will then be calculated and payable on the new Principal balance henceforth from that Interest Payment Date.
“Concession”	Lease agreement between the Airport Authority and the Company for the management, maintenance and operation of the Airport.
“Debt Service”	For any period, the sum of all payments of Principal (other than any Principal amount that is optionally or mandatorily prepaid or required to be prepaid on or before its scheduled date (including as a result of any default), Interest and fees (other than any foreign exchange fees or charges related to currency conversion) paid or required to be paid by the Company in respect of any debt (including Senior Secured Facilities, but excluding the Notes) other than fees and costs relating to any Senior Secured Facilities.
“Debt Service Coverage Ratio” or “DSCR”	As at any calculation date, for the period of four (4) consecutive fiscal quarters of the Company then most recently ended, the ratio of (a) all funds deposited in the Revenue Accounts (except if from another account or an Unrestricted Account) for such period, minus deposits into any Onshore Operating Account during such period, to (b) Debt Service for such period.
“Debt Service Reserve Account” or “DSRA”	The account described as such in the New York Agreement.
“Disposition”	Any sale, lease, sub-lease, transfer or other disposition of any assets or the grant of any option, or other right to purchase, lease or otherwise acquire any property.
“EBITDA”	Earnings Before Interest, Taxes, Depreciation and Amortization. Used as a means to calculate a company’s cash flow.
“Eligible Investors”	An investor who meets the eligibility criteria set out on page 20 who or which is also an “accredited investor” as defined on page 21 of this Memorandum.
“Escrow Agent”	Royal Fidelity Merchant Bank & Trust Limited.
“Event of Default”	Any one of the several events of default listed in the Participating Debt Note Purchase Agreement.
“Existing Senior Debt”	The outstanding senior debt of the Company incurred pursuant to:  (i) two Note Purchase Agreements, each dated March 20, 2009, among the Company, certain qualified investors and CIBC Trust



	<p>Company (Bahamas) Limited, as Notes Facility Agent providing for the issue and sale of 8.50% Senior Notes due December 31, 2031, together with the notes issued thereunder;</p> <p>(ii) a Note Purchase Agreement dated June 29, 2010, among the Company and certain qualified purchasers providing for the issue and sale of 7% Senior Notes due November 30, 2033, together with the notes issued thereunder;</p> <p>(iii) a Note Purchase Agreement dated April 24, 2012, among the Company and certain qualified purchasers providing for the issue and sale of 6.34% Series A Senior Notes due March 31, 2035; 6.34% Series B Senior Notes due March 31, 2035 and 6.44% Series C Senior Notes due June 30, 2035, together with the notes issued thereunder.</p>
"Expropriation Event"	Any: (a) condemnation, nationalization, seizure or expropriation by a Governmental Authority of all or a substantial portion of the Airport or the property of the Company or of its capital stock; (b) assumption by a Governmental Authority of control of all or a substantial portion of the property or business operations of the Company or of its capital stock, (c) taking of any action by a Governmental Authority for the dissolution or disestablishment of the Company; or (d) taking of any action by a Governmental Authority with respect to any of the foregoing.
"Government"	The Government of The Bahamas.
"Governmental Authority"	Any government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, domestic or foreign, state or local having jurisdiction over the matter or matters in question.
"Intercreditor Agreement"	The intercreditor agreement dated as of 20 March 2009 between CIBC Trust Company (Bahamas) Limited, and Citibank NA, in their various capacities setting out certain rights of the Senior Lenders and the Junior Lenders (as such terms are defined therein) inter se.
"Interest"	The interest paid or to be paid on the Notes at the rate of 7.50% per annum calculated based on a 360-day year comprised of twelve 30-day months for actual number of days elapsed.
"Interest Payment Date"	The date on which a quarterly Interest payment is due, being March 31, June 30, September 30, and December 31. If any Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would fall into

	the next calendar month, in which case it shall be brought forward to the immediately preceding Business Day.
“Issue Date”	The date on which Notes are allotted to an investor by the Board of Directors and recorded in the Company’s official register by the Registrar. For all applications received by the Closing Date and allotted by the Board of Directors, the Issue Date will be December 31, 2018.
“Net Cash Proceeds”	<p>With respect to any Relevant Asset Disposition, Casualty Event or Expropriation Event, the excess, if any, of (a) the sum of cash and cash equivalents received in connection with such Relevant Asset Disposition, Casualty Event or Expropriation Event (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received, but excluding any business interruption insurance proceeds) over (b) the sum of (i) the principal amount of any debt (other than debt under the Participating Debt Documents) that is secured by such asset and that is required to be repaid in connection with such Relevant Asset Disposition, Casualty Event or Expropriation Event, (ii) the reasonable and customary out-of-pocket costs, fees, commissions, premiums and expenses incurred by the Company or its subsidiaries in connection with such Relevant Asset Disposition, Casualty Event or Expropriation Event, (iii) federal, state, provincial, foreign and local taxes reasonably estimated (on a consolidated basis) to be actually payable in connection therewith, and (iv) in the case of any Relevant Asset Disposition, any reserve, established in accordance with IFRS, for (A) adjustment in respect of the sale price of such asset or assets or (B) any liabilities associated with such assets retained by the Company or any subsidiary after such Relevant Asset Disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; provided that any amounts retained with respect to clause (iii) or clause (iv) above shall be used solely for the purpose of funding the liabilities for which such funds were reserved and if and to the extent such reserves are released in accordance with IFRS, the released funds shall be considered Net Cash Proceeds.</p> <p>(I) No net cash proceeds calculated as set forth above, whether in a single transaction or series of related transactions, shall constitute Net Cash Proceeds unless such net cash proceeds exceed US\$50,000 and (II) with respect to such net cash proceeds below the US\$50,000 threshold, no such net cash proceeds shall constitute Net Cash Proceeds in any fiscal year of the Company except to the extent the aggregate amount of all such net cash proceeds in such fiscal year shall exceed US\$1,000,000.</p>

“Notes”	The 7.50% participating debt notes issued by the Company pursuant to the Participating Debt Note Purchase Agreement and this Memorandum.
“Notes Facilities”	The senior secured facilities under a Note Purchase Agreement dated June 29, 2010, among the Company and certain qualified purchasers providing for the issue and sale of 7% Senior Notes due November 30, 2033, together with the notes issued thereunder.
“Noteholders”	Persons to whom Notes have been issued.
“Onshore Operating Accounts”	The accounts defined as such in the Bahamas Agreement.
“Original Participating Debt Note Purchase Agreements”	Collectively, (i) the Participating Debt Note Purchase Agreement dated as of March 20, 2009 (as amended by Amendment No. 1 dated as of May 21, 2009 and Amendment No. 2 dated as of October 5, 2011, and (ii) the Participating Debt Note Purchase Agreement dated as of March 20, 2009 (as amended by Amendment No. 1 dated as of May 21, 2009 and Amendment No. 2 to be entered into by the Company in December, 2018), and (iii) the Participating Debt Common Terms Agreement dated as of March 29, 2009.
“Original Participating Debt Notes”	The Participating Debt Notes issued pursuant to the Original Participating Debt Note Purchase Agreements.
“Participating Debt”	Debt of the Company under the Participating Debt Purchase Agreement and the Notes.
“Participating Debt Note Agent”	CIBC Trust Company (Bahamas) Limited.
“Participating Debt Documents”	The Participating Debt Note Agreement, the Notes, the Intercreditor Agreement, the Security Documents and each consent agreement delivered pursuant to section 10.10 of the Participating Debt Note Purchase Agreement.
“Participating Debt Note Purchase Agreement”	The Participating Debt Note Purchase Agreement to be entered into on or about 31 December 2018 by and among the Issuer, CIBC Trust Company (Bahamas) Limited (in the capacities therein stated), Citibank N.A. (in the capacity therein stated) and the Noteholders, the terms of which will be materially similar to the draft of the Participating Debt Note Purchase Agreement available for inspection by prospective investors in this Private Placement

“Paying Agent” and “Registrar”	CIBC Trust Company (Bahamas) Limited is the Paying Agent and Registrar. The Paying Agent makes Interest payments to Noteholders on behalf of the Issuer. The Registrar is responsible for keeping records of the ownership of the Issuer’s Notes.
“Permitted Refinancing Debt”	Debt issued or incurred (including by means of the extension or renewal of existing debt) to refinance, refund, extend, renew, restructure, repay, exchange, defease or replace existing debt, in whole or in part (“Refinanced Debt”), concurrently with the issuance or incurrence of such debt that meets the conditions more particularly described in the definition of “Permitted Refinancing Debt” in the Participating Debt Note Purchase Agreement.
“Placement Agents”	An entity that acts as agent for the Issuer in privately placing securities. CIBC World Markets Corp. and Royal Fidelity Merchant Bank & Trust Limited are the Placement Agents for this Private Placement.
“Post-Completion Permitted Debt”	The additional senior secured indebtedness incurred by the Company after completion of the design, construction and commissioning, of the following facilities at the Airport: (a) a new U.S. departures and pre-clearance building, (b) U.S. and international arrivals facilities, and (c) international and domestic departures facilities which satisfies the conditions set out in the Senior Common Terms Agreement dated March 20, 2009 among the Company, the financial institutions party thereto as lenders, CIBC Trust Company (Bahamas) Limited and Citibank N.A. in their various capacities.
“Principal”	The principal amount outstanding on any Note at any time.
“Private Placement” or “Offering”	Private placement is any offer and sale of any security by a company or entity not involving a public offering. The terms “Private Placement” or “Offering” are used interchangeably in this document.
“Private Placement Memorandum” or “Memorandum”	This Private Placement Memorandum dated December 10, 2018.
“Ranking”	The priority given to Noteholders with respect to the payment of accrued but unpaid Interest and Principal in the event of liquidation or winding up.
“Relevant Asset Disposition”	Any Disposition of property by the Company other than Dispositions listed in the Participating Debt Note Purchase Agreement.

“Required Holders”	The holders of more than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company and its Affiliates).
“Residents”	A citizen of The Bahamas or persons holding a permanent residency permit with the unrestricted right to work in The Bahamas or persons holding a work permit issued by the Government of The Bahamas for a period exceeding one year.
“Restricted Payments”	Restricted Payments shall mean (a) any dividend payment or other distribution of assets, properties, cash rights, obligations or securities on account of any shares of any class of shares of the Company or (b) any purchase, redemption or any other acquisition for value of any shares of any class of capital stock of the Company or of any warrants, rights or options to acquire any such shares, in each case now or hereafter outstanding.
“Revenue Accounts”	The Offshore Revenue Account (as defined in the New York Agreement) and the Onshore Revenue Accounts (as defined in the Bahamas Agreement).
“Senior Secured Facilities”	<ul style="list-style-type: none"> <li>(i) The Existing Senior Debt;</li> <li>(ii) any additional senior debt permitted to be incurred under the Senior Secured Facilities Documents and to rank pari passu with the debt incurred under other Senior Secured Facilities;</li> <li>(iii) Permitted Refinancing Debt in respect of any of the foregoing.</li> </ul>
“Security Documents”	Any instrument or document delivered by the Company in order to grant to the Agents any encumbrance over the Collateral for the benefit of the Noteholders and the Agents or to assure or preserve any such encumbrance or any rights or remedies created thereby.
“Senior Secured Facilities Document”	Any agreement, promissory note, document or instrument providing for any Senior Secured Facilities or evidencing the terms of any Senior Secured Facilities.
“Senior Secured Facilities Security Documents”	The Account Control Agreements, the Mortgage by Sub-demise of Lease, the Indenture of Chattels and Assignment by way of Mortgage, the Assignment by way of Mortgage (Management Agreement), the Assignment by way of Mortgage (Project Management Agreement), all dated March 30, 2009, and any other instrument or document delivered by the Company in order to grant to any Senior Collateral Agent (as such term is defined in the Senior Secured Facilities Documents) for the benefit of the Secured Parties (as such term is defined in the Senior Secured Facilities Documents) any Lien (as such term is defined in the Senior Secured Facilities Documents) on any Collateral (as such term is defined in the

	Senior Secured Facilities Documents) or to assure or preserve any such Lien or any rights or remedies created thereby.
“Stage 1 Senior Facilities”	The senior secured facilities granted under two Note Purchase Agreements, each dated March 20, 2009, among the Company, certain qualified investors and CIBC Trust Company (Bahamas) Limited, as Notes Facility Agent providing for the issue and sale of 8.5% Senior Notes due December 31, 2031, together with the notes issued thereunder.
“Tangible Net Worth”	The net worth of a company that excludes any value derived from intangible assets.
“Total Debt/Equity Ratio”	The amount calculated using a numerator being all liabilities and a denominator being shareholders’ equity including retained earnings.
“Unrestricted Accounts”	The accounts defined as such in the Bahamas Agreement.
“\$” or “B\$”	Bahamian dollars, being the legal currency of The Bahamas.
“US\$” or “USD”	United States Dollars, being the legal currency of the United States of America.

Words denoting the singular shall include the plural and vice versa; words denoting gender shall include all genders; and words denoting persons shall include bodies corporate and vice versa.

# NASSAU AIRPORT DEVELOPMENT COMPANY LIMITED

## SUMMARY OF PRIVATE PLACEMENT

### FOR

### 7.50% PARTICIPATING DEBT NOTES

*Nassau Airport Development Company Limited is a company registered under  
Companies Act, 1992 (as amended)*

The following summary of terms is provided to highlight certain key terms and conditions, but prospective investors are expected to fully review the draft Participating Debt Note Purchase Agreement. In the event of a discrepancy between this summary of terms and the Participating Debt Note Purchase Agreement or any other transaction document (as listed in the “Inspection of Documents” section of this Memorandum), the Participating Debt Note Purchase Agreement and/or such transaction document shall govern to the extent of the discrepancy.

This summary is also to be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2018 (see Appendix I) and the unaudited financial projections through to March 31, 2037 (see Appendix II), and the information appearing in this Private Placement Memorandum.

<b>Issuer:</b>	Nassau Airport Development Company Limited.
<b>Opening Date:</b>	December 10, 2018.
<b>Closing Date:</b>	December 21, 2018.
<b>Issue Date:</b>	December 31, 2018.
<b>Security:</b>	7.50% 17-Year Participating Debt Notes.
<b>Escrow Agent:</b>	Royal Fidelity Merchant Bank & Trust Limited.
<b>Amount of Offer:</b>	<p>The Notes will be offered in an aggregate amount of USD / B\$ 139,100,000 as follows:</p> <ul style="list-style-type: none"><li>(a) 7.50% 17-Year Participating Debt Notes carrying interest in an aggregate principal amount of US\$61,157,003; and</li><li>(b) 7.50% 17-Year Participating Debt Notes carrying interest in an aggregate principal amount of B\$77,942,997.</li></ul>

<b>Subscription Size:</b>	The minimum subscription size is USD/B\$ 50,000 and increments of USD/B\$ 10,000 thereafter, provided that the Board shall have the discretion to accept subscriptions in such other amounts as they see fit.
<b>Use of Proceeds:</b>	<p>The proceeds of the Notes will be used to:</p> <ul style="list-style-type: none"> <li>(a) retire the Original Participating Debt Notes which were issued at a higher rate of interest and a shorter maturity; and</li> <li>(b) pay all of the fees, costs and expenses incurred in connection with the refinancing of the Original Participating Debt Notes.</li> </ul>
<b>Interest Rate</b>	The Notes will accrue Interest at a rate of 7.50% per annum.
<b>Interest Payment:</b>	<p>Interest is payable quarterly in arrears on a 360-day basis (comprising twelve 30-day months for actual number of days elapsed) on the Interest Payment Dates with the first Interest payment to be made on March 31, 2019. The Notes will pay Interest from and including the date of issue of each Note; provided that Interest is payable solely to the extent of available cash flow for such purpose in the Company's Revenue Accounts.</p> <p>In the event Interest is not paid or is only partially paid on an Interest Payment Date due to a lack of available cash flow, the unpaid Interest will be added to the Principal amount outstanding (i.e. will be capitalized) and Interest will then accrue on the new Principal balance henceforth from that Interest Payment Date. Any such partial payment or non-payment of Interest will not in and of itself constitute an Event of Default.</p> <p>Where there is sufficient cash available to make an Interest payment on an Interest Payment Date, a failure to make such payment will not in and of itself constitute an Event of Default unless the Company fails to make such Interest payment within 30 business days of such Interest Payment Date.</p>
<b>Maturity:</b>	December 31, 2035.
<b>Principal Repayment/Pre-payment:</b>	The entire Principal amount of the Notes then outstanding together with any accrued Interest and fees will be repaid in full on 31 December, 2035.



	<p>If the Company is in compliance with the financial covenants in place for the Senior Secured Facilities and has sufficient cash flow available the Company may elect to prepay, at par, principal, in which case such prepayment shall be in an aggregate amount of not less than \$5,000,000 (or an integral multiple of \$500,000 in excess thereof) on any Interest Payment Date upon not less than 10 Business Days' notice to the Participating Debt Note Agent.</p> <p>The Company must make principal repayments, at par, if:</p> <ul style="list-style-type: none"> <li>(a) the Net Cash Proceeds received by the Company as a result of a Casualty Event are not applied within 180 days of receipt to replace or repair the compromised property or to reimburse the Company for the same, provided that the Senior Secured Facilities have been paid in full and all commitments of the senior lenders thereunder have been terminated;</li> <li>(b) the Company has made a disposition of property for fair value in an aggregate amount in excess of US\$500,000.00 in any fiscal year and has retained such Net Cash Proceeds for 180 days without using the same to acquire replacement assets used or useful in the business of the Company, provided that the Senior Secured Facilities have been paid in full and all commitments of the senior lenders thereunder have been terminated; or</li> <li>(c) on an Interest Payment Date, there exists an Available PD Prepayment Amount applicable to such Interest Payment Date.</li> </ul>
<b>Terms of Escrow:</b>	<p>Subscription amounts will be deposited in an escrow account with the Escrow Agent, which will accept and verify all subscription receipts and will only release the funds to the Issuer when all conditions of this Offering are met.</p>
<b>Basis of Allotment:</b>	<p>The Company's Board of Directors reserves the right to allocate the Notes in its absolute discretion although it is its intent to allot the Notes on a first come first served basis, meaning that the Notes will be issued in the amounts requested, in the order subscriptions are received. The Board reserves the right to accept subscriptions in such amounts as they see fit notwithstanding that a subscription may be below the minimum subscription size or is not in an increment of US\$/B\$10,000. In the event that the Notes are oversubscribed,</p>

	<p>the allocations will be determined at the discretion of the Board.</p> <p>If this Private Placement is less than fully subscribed by the Closing Date, the Board further reserves the right to refund any subscriptions received, extend the offering period for additional subscriptions until the issue is fully subscribed, or terminate the offer. The Board may, in its absolute discretion and subject to any other conditions in this Memorandum, issue Notes in respect of total subscriptions less than the aggregate amount of the offering and extend the offering period for additional subscriptions until the issue is fully subscribed or the offer is terminated by the Board.</p> <p>Any subscriptions that are not allocated will be refunded without interest.</p>
<b>Ranking of Notes:</b>	<p>With respect to the payment of Interest and Principal payments upon the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company for the purpose of winding-up its affairs, the obligations of the Company in respect of the Notes will be secured obligations of the Company. The Notes will rank behind the Senior Secured Facilities, equally among themselves, and at least pari passu in priority of payment and in all other respects with all other existing and future unsubordinated, unsecured debt of the Company (other than those mandatorily preferred by law) and its issued and outstanding ordinary shares or any other class of shares in the Company ranking junior to the Notes.</p>
<b>Collateral:</b>	<p>The Notes are secured by certain mortgages, assignments by way of mortgage, charges and pledges (as the case may be) over certain bank accounts, agreements, the Concession and certain other assets of the Company but the Noteholders' security interests in the Collateral are subordinated in full to the Senior Secured Facilities.</p> <p>In the event of a liquidation, dissolution or winding up of the Company or other distribution of assets of the Company for the purpose of winding-up its affairs, each Noteholder shall be entitled to receive from the proceeds of the Collateral (subject to the discharge of the Senior Secured Facilities) an amount equal to the Principal amount then outstanding on the Notes held by such Noteholder, together with all accrued but unpaid cumulative Interest thereon, before any amount shall be paid or any assets distributed to any unsecured creditors of the</p>

	<p>Company or to the holders of the ordinary shares or any other class of shares in the Company ranking junior to the Notes. To the extent the Collateral is insufficient to cover the obligations of the Company to the Noteholders, they will rank at least pari passu in priority of payment and in all other respects with all unsecured creditors of the Company (save those mandatorily preferred by law). Thereafter, the Noteholders are not entitled to any other distribution of the assets of the Company.</p>
<b>No Voting Rights or Equity Ownership:</b>	<p>Noteholders will not have an equity interest in the Company. Noteholders who comprise Required Holders will have limited rights to request or consent to certain actions by the Agents as described herein and in the Participating Debt Note Purchase Agreement.</p>
<b>Acceleration of Redemption:</b>	<p>All Principal owing in respect of the Notes shall become immediately due and payable, together with all outstanding accrued and unpaid Interest, upon the occurrence of an Event of Default (including any event of default under the terms of the Senior Secured Facilities that continues for 90 days without cure or waiver), provided that the Participating Debt Note Agent, at the request or with the consent of the Required Holders and subject to the Intercreditor Agreement, declares the Notes and all interest thereon to be forthwith due and payable. This can only occur if all of the Senior Secured Facilities have been fully paid and all financing arrangements and commitments between the Company and the senior secured creditors have been terminated or certain other conditions contained in the Intercreditor Agreement are met.</p>
<b>Withholding:</b>	<p>In the event of any law or regulation requiring a withholding in respect of any charges, fees or taxes, the net amount to be received under the Notes will represent payment as per the rate of Interest or repayment of Principal, except for certain withholdings that would not have been imposed but for (a) the existence of any present or former connection (other than holding of or payment in respect of the Notes) between such Noteholder and the relevant taxing jurisdiction or (b) delay or failure by such Noteholder in filing relevant forms with the relevant taxing jurisdiction.</p>
<b>Registration:</b>	<p>The Company will issue one Note in the name of the Participating Debt Note Agent representing the aggregate amount of US\$ Participating Debt Notes subscribed for, and one Note in the name of the Participating Debt Note Agent representing the aggregate amount of B\$ Participating Debt</p>

	Notes. The Participating Debt Note Agent will maintain a register which will evidence investors' ownership of the Notes; no additional certificates will be issued for the Notes. The Paying Agent and Registrar will issue confirmations with respect to the allocations of Notes to investors within 21 days of the Closing Date.
<b>Governing Law:</b>	The Participating Debt Note Purchase Agreement and the US\$ Notes issued thereunder are governed by New York law. B\$ Notes issued thereunder are governed by the laws of The Bahamas. This Offering is made in accordance with the laws of The Commonwealth of The Bahamas.

## OFFER TIMETABLE

**Opening Date:** 9 a.m. December 10, 2018  
**Closing Date:** 5 p.m. December 21, 2018  
**Issue Date:** December 31, 2018  
**Confirmation Date:** Within 21 days of the Closing Date

## Eligible Investors

Eligible Investors include Residents, trusts designated 'resident' for exchange control purposes and Bahamian companies wholly owned by Bahamians who or which also qualify as accredited investors (as defined below). Other interested investors may subscribe for the Notes upon obtaining prior approval from the Central Bank of The Bahamas. Minors are not eligible as investors.

### **THIS OFFER IS MADE ONLY TO THE FOLLOWING ELIGIBLE INVESTORS WHO ARE ALSO ACCREDITED INVESTORS AS DEFINED BELOW.**

If an individual:

- The applicant is 18 years of age or older; and
- The applicant is a citizen of The Bahamas or holds a permanent residency permit with the unrestricted right to work in The Bahamas; or
- The applicant holds a permanent residency permit which does not carry the unrestricted right to work or a work permit granting the right to work in The Bahamas; or
- The applicant is granted approval as an investor in the offering by the Central Bank of The Bahamas; and
- The applicant is not applying for the Notes as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

If a corporation:

- The applicant is incorporated under the laws of The Commonwealth of The Bahamas and is resident for exchange control purposes; and
- The applicant is wholly owned by Resident individuals or by individuals granted approval as investors in the offering by the Central Bank of The Bahamas via the applicant; and
- All necessary corporate action has been taken to authorize the purchase of the Notes; and
- The applicant is not applying for the Notes as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

If a trust or pension fund:

- The Settlor or the Beneficiaries of the trust or fund are Residents of The Bahamas, Bahamian resident companies owned by them and/or any other eligible trust or pension fund which is granted approval as an investor in the Notes by The Central Bank of The Bahamas; and
- Trustees of the trust and managers of the fund represent that they have the necessary power and all requisite action has been taken to enable them to effect the purchase of the Notes; and
- The applicant is not applying for the Notes as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

## ACCREDITED INVESTORS

“Accredited Investors” carries the meaning set out in Regulation 2 of the Securities Industry Regulations, 2012. This Offering is made to Accredited Investors only and will be made in accordance with Regulation 109 of the Securities Industry Regulations, 2012.

An “Accredited Investor” means any person who comes within any of the following categories, or whom the Issuer reasonably believes comes within any of the following categories, at the time of the sale of the Notes to that person -

- a) Any bank licensed under the Banks and Trust Companies Regulation Act (Ch.316) or licensed and operating outside of The Bahamas, whether acting in its individual or fiduciary capacity;
- b) Any registered firm under the Securities Industry Act 2011 or company registered to conduct securities business and operating outside of The Bahamas, acting for its own account;
- c) Any insurance company registered under the Insurance Act (Ch. 347) or licensed and operating outside of The Bahamas;
- d) Any investment fund licensed or registered under the Investment Funds Act (Ch. 369A) or regulated and operating outside of The Bahamas;
- e) Any employee benefit plan if the investment decision is made by a plan fiduciary, which is either a bank or trust company licensed under the Banks and Trust Companies Regulation Act (Ch. 316), an insurance company registered under the Insurance Act (Ch. 347), or a registered firm under the Securities Industry Act 2011 or if the employee benefit plan has total assets in excess of B\$5,000,000;
- f) Any director, senior officer or general partner of the issuer of the securities being offered or sold, or any director, senior officer or general partner of a general partner of that issuer;
- g) Any individual whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds B\$1,000,000;
- h) Any individual who had an individual income in excess of B\$200,000 in each of the two (2) most recent years or joint income with that person's spouse in excess of B\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- i) Any person, other than an individual, with total assets in excess of B\$5,000,000, not formed for the specific purpose of acquiring the securities offered;
- j) Any entity in which all of the equity owners are Accredited Investors;
- k) The Government of The Bahamas or any public authority established in The Bahamas;
- l) The government of any foreign jurisdiction, or any agency of that government;
- m) Any person purchasing on behalf of an account that is managed on a fully discretionary basis by that person, if that person is registered or authorized to carry on business as an adviser managing securities on a discretionary basis under the laws of the Bahamas or a foreign jurisdiction;

- n) Any person residing outside of The Bahamas who qualifies as an Accredited Investor, however defined, or has similar status, under the securities legislation of that person's country of residence, or who meets the criteria specified in paragraph (g) or (h) and is otherwise lawfully entitled to purchase the securities under the securities laws applicable to such purchase; or
- o) Any person that is recognized or designated by the Commission as an Accredited Investor

**SUBSCRIPTIONS FOR THE NOTES WILL NOT BE ACCEPTED UNLESS THE PROSPECTIVE INVESTOR CERTIFIES BY WAY OF AFFIDAVIT THAT HE/SHE/IT IS AN ELIGIBLE INVESTOR WHO OR WHICH ALSO QUALIFIES AS AN ACCREDITED INVESTOR.**

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## Overview of the Offering

This section contains a general summary of certain information contained in this Memorandum. It may not include all the information that is important to you. The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Memorandum.

### **THE OFFERING**

By way of a resolution of the Board of Directors dated December 4, 2018, the Company has decided to raise BS\$ /USD 139,100,000 through this Offering of Notes in the aggregate principal amounts of US\$61,157,003 and B\$77,942,997. The Offering will consist of 17-year participating debt notes maturing December 31, 2035 with a fixed annual Interest rate of 7.50% to be paid quarterly in March, June, September, and December with the first Interest payment due on March 31, 2019. As set out in the Participating Debt Note Purchase Agreement, Interest and Principal payments are payable upon the occurrence of certain triggering events subject to the extent of available cash flow of the Company and provided always that all covenants and obligations with respect to the Senior Secured Facilities have been satisfied. In the event Interest is not paid, or is only partially paid, the unpaid Interest will be added to the Principal amount outstanding (capitalized) and Interest will then accumulate on the new Principal balance from that Interest Payment Date.



## Notice To Investors

This confidential Memorandum is being furnished by the Company for use by potential investors considering investing in the Company through this Private Placement of Notes. This Memorandum is not intended to provide the sole basis for any decision about, or evaluation of, the Notes.

The information contained in the Memorandum has been provided by the Company and from other sources identified herein. The Placement Agents make no representation or warranty as to the accuracy or completeness of information contained in this Memorandum, or any other written or oral communication transmitted in the course of the evaluation of the Company and the Notes offered. The Placement Agents have not independently verified any of the information and data contained herein and the same is enclosed for information purposes only. The Placement Agents make no representation or warranty as to the accuracy or completeness of such information and will not have any liability for any representations (expressed or implied) contained in, or for any omissions from, this Memorandum or any other written or oral communication transmitted to the recipient by the Placement Agents, in the course of the recipient's evaluation of this Private Placement. The Placement Agents are not representing that the Notes are a legal investment for the prospective purchasers of the Notes. Neither BISX nor the Securities Commission of The Bahamas have reviewed or endorsed the accuracy of this Memorandum. Sale of the Notes will be restricted to the Commonwealth of The Bahamas.

This Memorandum is not intended to provide the sole basis for any credit or other evaluation and should not be considered as a recommendation by the Placement Agents that any recipient hereof participates in this Private Placement. Each recipient contemplating participating in this Private Placement is responsible for making their own independent investigation of the financial condition and affairs of the Company and their own appraisal of the creditworthiness of this Private Placement or any other party referred to in this Memorandum. The delivery of this Memorandum at any time does not imply that the information contained herein is correct at any time subsequent to the date on the cover hereof. The Placement Agents do not accept responsibility for updating this Memorandum and therefore it should not be assumed that the information contained herein is necessarily accurate, complete, or up to date other than on the date stated on its cover page.

The Notes described herein are being offered privately in The Bahamas to Eligible Investors as defined herein.

The Memorandum and its exhibits, together with any information contained herein or disclosed during discussions related hereto, are confidential and, without the express prior written consent of the Company, may not be reproduced, or used for any purpose other than the evaluation of the proposed transaction, or furnished to any other person, except your employees and advisors with a need to know who are advised of the confidentiality of the information. By your acceptance of this Memorandum and such information, you agree to comply with the provisions of the preceding sentence.

This Memorandum is intended for use only in the Commonwealth of The Bahamas and is not to be construed as an offering of any Notes outside of this jurisdiction. The Private Placement is available only to Eligible Investors who are Accredited Investors (as defined in the Securities Industry Regulations, 2012 and herein) solicited by the Bahamas Placement Agent.

This Memorandum contains forward looking statements which are often identified with words such as "estimate," "plan," "expect" and "believe," which are estimates reflecting the best judgment of the Company's management and involve risks and uncertainties that could cause actual results to differ materially from those suggested by forward looking statements. Potential investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made.

This Memorandum is issued to give information to potential Eligible Investors with regards to the Company. The Company accepts full responsibility for the accuracy of the information given as of the date on the cover hereof and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts omitted which would make any statement in the Memorandum misleading. Where information in this Memorandum has been sourced from a third party, such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

# Summary of the Rights Attaching to the 7.50% Participating Debt Notes

The following summary of terms is provided to highlight certain key terms and conditions, but prospective investors are expected to fully review the draft Participating Debt Note Purchase Agreement. In the event of a discrepancy between this summary of terms and the Participating Debt Note Purchase Agreement or any other transaction document (as listed in the “Inspection of Documents” section of this Memorandum), the Participating Debt Note Purchase Agreement and/or such transaction document shall govern to the extent of the discrepancy.

The Notes shall be issued on December 31, 2018 and shall be repaid in full not later than December 31, 2035. Listed below is a summary of the key rights attaching to the Notes.

## Ranking

The Notes are secured obligations of the Company and rank behind the Senior Secured Facilities, equally among themselves and at least *pari passu* in priority of payment and in all other respects with all other existing and future unsubordinated, unsecured debts of the Company and its issued and outstanding ordinary shares.

## Voting Rights

- (a) The Noteholders shall not be entitled to receive notice of, attend, vote at, or be heard at any meeting of the shareholders of the Company.
- (b) The Noteholders shall be entitled under the terms of the Participating Debt Note Purchase Agreement to vote separately where the consent of the Noteholders is required (such as in respect of any proposal to amend or waive certain terms of the Participating Debt Note Purchase Agreement and the Notes, or to request the Participating Debt Note Agent take certain action such as, subject to the Intercreditor Agreement, foreclosing on the Collateral upon the occurrence of an Event of Default). Any vote of the Noteholders is carried by an affirmative vote of the holders of more than 50% of the then outstanding principal amount of the Notes. In addition, in certain circumstances set out in the Participating Debt Note Purchase Agreement the individual consent of an affected Noteholder is required.

## Interest

- (a) Noteholders shall be entitled to receive, and the Company shall pay cumulative cash Interest at the rate of 7.50% per annum to the extent of available cash flow. Such Interest shall accrue from and including the date of issue of such Notes and subject as hereunder provided, shall be payable in arrears for actual number of days elapsed in quarterly installments on March 31, June 30, September 30, and December 31 in each year, calculated on a 360-day basis of twelve 30-day months in the currency in which the Notes are issued. The first Interest Payment Date shall be March 31, 2019. Any Interest on the Notes, or any portion thereof that is owed but not paid on any Interest Payment Date, shall be capitalized and added to the then outstanding Principal

amount, and Interest shall then be calculated and payable based on the new outstanding Principal balance.

- (b) Any Interest on the Notes shall be paid by wire transfer in the currency of the Note to the Noteholder in accordance with each Noteholder's instructions for payment designated to the Company.

### **Restricted Payments**

Restricted Payments are not permitted until the Participating Debt has been repaid in full.

### **Amortization**

- (a) The Noteholders shall be entitled to be repaid the then outstanding Principal amount of such Notes at maturity on December 31, 2035.
- (b) Should the Company elect or be required to make a Principal prepayment prior to maturity such payment will be subject to the debt coverage and other covenants in place for the Senior Secured Facilities.
- (c) Principal payments in respect of the Notes shall be paid by wire transfer in the currency of the Note to the Noteholder in accordance with each Noteholder's instructions for payment designated to the Company.

### **Prepayment Provisions**

The Company may, at its option (but solely to the extent permitted by the terms of the Senior Secured Facilities), upon notice as provided below, prepay at any time all, or from time to time on any Interest Payment Date any part of, the Notes, at par, on the following terms and conditions: (a) the Company shall give the Participating Debt Note Agent at least ten (10) Business Days' prior written notice of its intent to prepay the Notes; and (b) such prepayment shall be in an aggregate principal amount of at least \$5,000,000 (or an integral multiple of \$500,000 in excess thereof) among all Notes, with prepayment to be made in the currency (Dollars or Bahamian Dollars) specified for payment in the applicable Participating Debt Notes. Each written notice shall specify the date of the prepayment (which shall be a Business Day), the aggregate Principal amount of the Notes to be prepaid on such date, the Principal amount of each Note held by such holder to be prepaid and the Interest to be paid on the prepayment date with respect to such Principal amount being prepaid.

The Company shall, if all obligations of the Company under the Senior Secured Facilities have been paid in full in accordance with the terms thereof and all commitments of the senior lenders thereunder terminated, prepay, on a pro rata basis based on the respective Principal amounts thereof outstanding and at par, the Notes, together with accrued and unpaid Interest, if any, on the Principal amount prepaid, to the extent any net cash proceeds received by the Company as a result of (a) any Casualty Event or Expropriation Event or (b) disposition of property for fair value in an aggregate amount in excess of US\$500,000 (or the equivalent in other currencies) in any fiscal year, are not applied within 180 days after the Company's receipt thereof (i) to repair or replace property in respect of which such net cash proceeds were made (or to reimburse the Company for any such repair or replacement) in accordance with the terms of the Senior Secured Facilities or (ii) to acquire replacement assets used or useful in the business,

respectively. The Company shall also make a prepayment at par where, on an Interest Payment Date, there exists an Available PD Prepayment Amount applicable to such Interest Payment Date.

### **Liquidation Rights**

In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company for the purpose of winding-up its affairs, each holder of Notes shall be entitled to receive an amount equal to the Principal amount then outstanding on the Notes held by such holder, together with all accrued but unpaid cumulative Interest thereon from the proceeds of the Collateral (subject to the discharge of the Senior Secured Facilities), before any amount shall be paid or any assets distributed to the holders of the ordinary shares or any other class of shares of the Company ranking junior to the Notes.

To the extent the Collateral is insufficient to cover the obligations of the Company to the Noteholders, they will rank at least *pari passu* in priority of payment and in all other respects with all unsecured creditors of the Company (save those mandatorily preferred by law). Thereafter, the holders of the Notes are not entitled to any other distribution of the assets of the Company.

# Overview of the Company

## INTRODUCTION TO LPIA

The Lynden Pindling International Airport (“LPIA” or the “Airport”) is the main international gateway to The Bahamas. Nassau Airport Development Company Limited (“NAD”) is responsible for all operations of LPIA (other than ground handling and certain Government controlled services such as security, firefighting, and air traffic control) under the terms of a 30-year lease with The Airport Authority of The Bahamas (“The Airport Authority”) dated April 1, 2007. An extension of the lease to 2057 has been approved by the Cabinet of the Bahamas (the “Cabinet”).

NAD is a wholly owned subsidiary of the Airport Authority, a corporate body owned by the Government and established under the Airport Authority Act of 2000. Vantage Airport Group (Bahamas) Ltd. (“Vantage Bahamas”) manages, operates, develops and maintains the Airport on behalf of, and under the general and strategic direction of NAD, under the terms of a 10-year Management Agreement dated October 19, 2006. A two-year extension to the Management Agreement was approved by the NAD Board in 2016. In 2018, the NAD Board recommended that the Management Agreement be extended until March 31, 2029. The extension has been approved by the Cabinet and will be confirmed pending senior lender approval.

LPIA is located on the northwest portion of New Providence Island, approximately 15 miles west of downtown Nassau. As the only international airport serving New Providence Island, LPIA is the fourth busiest airport in the Caribbean and serves nearly 3.3 million passengers annually. Currently, LPIA is served by 23 airlines offering trips from over 56 international and domestic destinations. LPIA generated approximately \$89.4 million of revenue for FY2018, a 16% increase from FY2017.

## LPIA ROUTE MAP



## CARRIER SERVICE

NAD retains significant diversity among air carriers serving Domestic and US/International passengers. Bahamas Air and American Airlines/U.S. Air and are among the two largest carriers, accounting for 43.5% and 21.8% of total domestic and international flights respectively in CY2017.

## AIR CARRIER MARKET SHARE

### Domestic - 2017 Stats (Calendar Year)

Airline	Total Seats 2016	Share % 2016	Total Seats 2017	Share % 2017
Bahamasair	266,600	42.8%	287,198	43.5%
Sky Bahamas	118,405	19.0%	131,404	19.9%
Western Air	99,066	15.9%	101,673	15.4%
Pineapple Air	56,275	9.0%	58,159	8.8%
Flamingo Air	23,820	3.8%	28,962	4.4%
LeAir	31,902	5.1%	32,558	4.9%
Southern Air	26,257	4.2%	20,942	3.2%
<b>Total</b>	<b>622,325</b>	<b>100%</b>	<b>660,896</b>	<b>100%</b>

### US/Int'l 2017 Stats (Calendar Year)

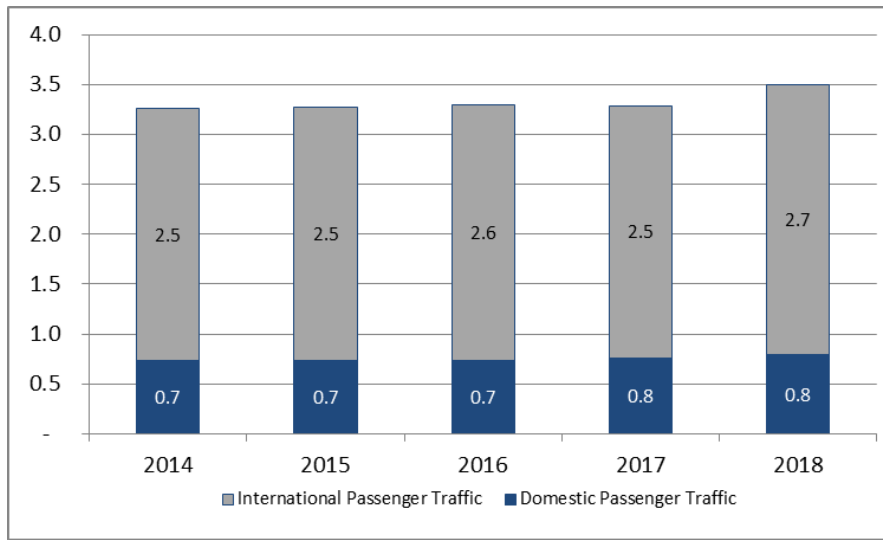
Airline	Total Seats 2016	Share % 2016	Total Seats 2017	Share % 2017
American/U.S. Air	410,343	23.0%	403,253	21.8%
Bahamasair	352,010	19.7%	425,690	23.0%
Jet Blue	323,627	18.1%	312,054	16.8%
Delta Airlines	269,902	15.1%	256,223	13.8%
United Airlines	111,741	6.3%	106,348	5.7%
Silver Airways	10,234	0.6%	19,727	1.1%
Southwest Airlines	54,340	3.0%	64,099	3.5%
British Airways	100,667	5.6%	116,307	6.3%
Westjet	43,480	2.4%	48,442	2.6%
Air Canada	47,658	2.7%	42,678	2.3%
Copa Airlines	19,509	1.1%	18,225	1.0%
Caribbean Airlines	24,960	1.4%	25,600	1.4%
Sunwing Airlines	19,278	1.1%	14,364	0.8%
<b>Total</b>	<b>1,787,749</b>	<b>100.0%</b>	<b>1,853,010</b>	<b>100.0%</b>

Carrier service to The Bahamas grew by 2% in CY 2017 with a 1% increase in seat capacity. LPIA continues to experience growth in total seats with an expected count of 2.6 million for CY2018, a year over year increase of 3.4%.

## PASSENGER TRAFFIC

Historical passenger traffic data demonstrates a trend of stability and predictability in volumes. Between FY2014 and FY2018, international and domestic passenger traffic increased at a CAGR of 1.3% and 1.6% respectively.

### LPIA – Historical Passenger Traffic



## TRAFFIC GROWTH

Passenger traffic through LPIA is stable and predictable, with lower-than-normal variability than is associated with an origination and destination airport that is reliant on tourism.

The Bahamas is a popular destination amongst travelers from the US and Canada (over ~85% of passenger traffic) due to its proximity and ease of travel with non-stop flights from key East Coast North American destinations and one-stop flights from other significant source markets.

LPIA serves as the domestic hub for inter-island traffic with flights offered to 21 locations within The Bahamas island chain. Domestic traffic growth has been driven by expansion of services by SkyBahamas and Bahamasair for Bahamian and connecting international passengers to Family Island airports.

Traffic growth at LPIA has been driven by the following key factors:

### **Newly developed and modern airport:**

In 2013, LPIA successfully completed a three-phase airport redevelopment program which expanded terminal capacity and updated and improved customer experience.

The redevelopment program has:

- Significantly increased LPIA's capacity with the ability to handle 5 million passengers annually, compared to current traffic levels of approximately 3.3 million passengers annually.
- Improved customer experience by enhancing commercial offerings and adding international and domestic departures lounges.

### **US customs pre-clearance facility:**

LPIA has a US customs pre-clearance facility, which enables US-bound travelers to go through customs before leaving The Bahamas. This convenience enables aircraft traveling from The Bahamas to the US to



land at either a domestic or international gate at a US-based airport, and therefore enables greater flexibility for airlines flying to and from the Bahamas.

#### **Hotel room inventory:**

Hotel room inventory was relatively stable through 2017 and experienced a large increase with the completion of the Baha Mar Resort (“Baha Mar”), which added 2,300 rooms. Baha Mar initially opened in 2017 with 2,099 rooms and as of June 1, 2018, has since completely opened with an additional 201 rooms available.

As illustrated in the table below, hotel rooms in The Bahamas grew by 9.5% in CY 2017.

#### **Hotel room growth**

Growth in Hotel Rooms			
Island	2015	2016	2017
Family Island	4,564	4,476	4,395
New Providence	2,989	3,432	5,405
Paradise Island	4,880	4,844	5,094
Grand Bahama	2,294	2,284	1,244
<b>Total</b>	<b>14,727</b>	<b>14,736</b>	<b>16,138</b>
% YoY Growth		0.06%	9.51%

#### **KEY ASSETS & REDEVELOPMENT PROGRAM**

The key assets of the Airport include three terminals (domestic and international departures, international arrivals, and a US pre-clearance terminal), which handle domestic and international operations, two intersecting runways (11,126 feet and 8,323 feet), ten taxiways and five aprons (3.2 million square feet) which serve the passenger terminals and general aviation sources.

In October 2013, NAD completed its three-stage redevelopment program which transformed LPIA into a modern and efficient airport. LPIA now has 606,000 square feet of capacity and can handle 5 million passengers annually. The three-stages of redevelopment included the following key features:

- **Stage One:** involved a new 250,000 square foot US departures terminal and introduced new systems to LPIA, including the most sophisticated and complex baggage system ever installed at a US preclearance facility and an energy efficient design that makes it one of the greenest buildings in the Caribbean
- **Stage Two:** extended LPIA by 226,000 square feet and included the construction of a new international arrivals terminal and pier with five new jet bridges
- **Stage Three:** included the construction of a domestic/international departures and domestic arrivals terminal featuring nine retail locations and five food locations, bars and lounges, a bank and a post office, and three significant Bahamian art installations

## REVENUE SOURCES

Revenues at LPIA are derived from two sources: Aeronautical revenue and Non-Aeronautical revenue. Each of these revenue sources are described below.

**Aeronautical Revenue (81.5% of total revenue):** Aeronautical revenues include the passenger facility charge (“PFC”), passenger processing fees (“PPF”), landing fees, terminal fees, bridge loading fees and aircraft parking fees. The Company is generally able to increase fees and charges so long as certain prescribed procedures are followed and the proposed levels are deemed necessary to allow the Company to generate sufficient revenue to meet its debt obligations, meet projected operating and capital expenditures and achieve compliance with financial covenants with respect to current and future debt,

### Aeronautical Revenue

Revenue Source	Description	Current Pricing Rate
Passenger Facility Charge	Levied against all passengers departing the Airport	In December 2017, domestic PFCs were increased from \$7.50 to \$10.00 (33.3%) and international PFCs were increased from \$34.00 to \$38.00 (11.8%).
Passenger Processing Fee	Supplemental fee which is levied against all passengers departing via the Airport	In December 2017, this fee was increased from \$6 to \$10 (66.7%).
Landing Fees	Charged for each landing of an aircraft based on the maximum take-off weight of the aircraft and take-off frequency	Varies based on aircraft type and landing frequency
Terminal Fees	Charged for all other airport services such as baggage belt fees, and is based on number of seat on arriving aircraft	Varies based on aircraft type
Loading Bridges	Charged upon the use of a loading bridge by an aircraft	Varies based on aircraft type
Aircraft Parking Fees	Charged for any aircraft parked on the common apron for greater than four hours	Varies based on aircraft weight after 4 hours

**Non-Aeronautical Revenue (18.5% of total revenues):** Non-Aeronautical revenues are derived from fuel royalties, vehicle parking, concessions, advertising and leases. Excluding fuel royalties, which are charged as a rate per gallon of fuel pumped, non-aeronautical revenues typically do not have a set pricing structure and revenues are based on passenger growth, aircraft movement growth, marketing efforts and negotiated or competitively tendered contracts.

**Non-Aeronautical Revenue:**

Revenue Source	Description	Revenue Driver
Leases	Charged to the concession and retail vendors operating throughout the airport	Based on negotiated contracts
Vehicle parking	Long-term and short-term parking for arrivals and departures	Based on passenger growth
Rent and Concessions	Food and beverage revenues	Based on passenger growth/tendered contracts and program expansion
Fuel Royalties	Charged based on a fixed rate per gallon of fuel pumped basis	Based on aircraft movement growth
Advertising	Charged for advertising displayed throughout the airport facilities	Based on negotiated/tendered contracts

## Airport Owner Overview

The Airport Authority came into operation on May 1, 2000 under the Airport Authority Act. A Board of seven directors under the direction of its Chairman governs the Airport Authority. By virtue of its status and as the official legal entity of the Government, the Airport Authority in 2007 entered into an agreement with NAD to build, operate and maintain the LPIA.

## Airport Manager Overview

Vantage Bahamas is a wholly owned subsidiary of Vantage Airport Group Ltd. (“Vantage”). Vantage is a recognized leader in the investment, management and development of airports with over 20 years of experience across 29 airports and a proven track record of performance excellence. Vantage’s current portfolio of 10 airports in 5 countries serves 53 million passengers annually.

To date, Vantage has completed \$3.0 billion in capital projects and has an additional \$3.7 billion underway. Vantage has arranged \$4.7 billion in airport financing and made equity investments in 19 airport and terminal projects globally.

Vantage has a proven track record in managing airports and redevelopment projects in the Caribbean and around the world with significant experience in operating a diverse portfolio of airports that vary in size, market environment, cultural context and development needs.

# Business Operations

## ORGANIZATIONAL STRUCTURE

As of November 2018, NAD employs 245 people. As required under the Management Agreement, Vantage Bahamas seconded five executives (CEO, CFO, VP Terminal Operations, VP Marketing, Communications & Commercial Development and VP Maintenance & Engineering) to lead NAD's operations.

The primary departments are Operations, Maintenance, Engineering & IT, Finance, Administration, and Human Resources, Marketing, Communications and Commercial Development. 204 of the employees employed by NAD are governed by the Industrial Agreement that was signed on May 16, 2012 and covered the period from January 1, 2012 until December 31, 2016. The Company is currently in negotiations with the union to finalize a new agreement.

## BOARD OF DIRECTORS

The Board of Directors is appointed by the Government and is comprised of individuals with a broad business and financial acumen.

Board Members	Title	Background
Walter Wells	Chairman	<ul style="list-style-type: none"><li>President &amp; CEO, Caribbean Bottling Company</li></ul>
George Casey	Director	<ul style="list-style-type: none"><li>Chair &amp; CEO, Vantage Airport Group Ltd.</li></ul>
Lyall Bethel	Director	<ul style="list-style-type: none"><li>Sr. Pastor, Grace Community Church</li></ul>
Christiaan Sawyer	Director	<ul style="list-style-type: none"><li>President &amp; CEO, Sunryse Information Management Co.</li></ul>
Maria O'Brien	Director	<ul style="list-style-type: none"><li>Financial Consultant</li></ul>
Vincent Wallace-Whitfield	Director	<ul style="list-style-type: none"><li>Attorney-At-law</li></ul>
Andrew Malone	Director	<ul style="list-style-type: none"><li>Sales &amp; Support Executive, The Amoury Company Ltd.</li></ul>

## CORPORATE GOVERNANCE

NAD has a strong corporate governance framework, including a committee structure that reports up to the Board of Directors. Committee meetings are typically held quarterly or more frequently if needed.

**Capital Committee:** assists the Board in fulfilling its responsibility for major capital projects including master and capital plans and oversight of land and commercial developments.

**Finance and Audit Committee:** assists the Board in fulfilling its responsibility for broad oversight of the finances of the Company and with directing management to ensure that financial results are reported fairly and in accordance with generally accepted accounting principles, and that the company maintains the integrity of internal financial controls.

**Human Resources Committee:** assists the Board with establishing a succession plan for executives and other key employees, to review employee compensation policies, benefit plans and the collective agreements.

## **Profiles of Senior Management Team**

### ***Vernice Walkine, MBA – President & Chief Executive Officer***

Vernice J. Walkine started her career at the Bahamas Ministry of Tourism in 1979, as a Bi-Lingual Tourist Information Assistant. She moved steadily through the ranks of the Ministry of Tourism, while successfully pursuing her MBA (cum laude) with the University of Miami.

She was appointed to the highest technical post in the tourism industry in 2005, that of Director General, the first female to achieve this position. Under her leadership, the industry achieved a number of firsts, including welcoming 5 million visitors annually. Again, Ms. Walkine played a key role in leading the Ministry of Tourism and its industry stakeholders through the worst of the recessionary conditions affecting the tourism sector beginning in 2008.

She held the post of Director General until October 2010 when she demitted office to take a position with NAD as Vice President of Marketing and Communications, the first Bahamian executive to be retained by NAD. She was given the added portfolio of Commercial Operations in February 2012, taking the title of Vice President of Marketing & Commercial Development. On March 1, 2013 she assumed the top position with NAD, that of President & CEO.

Ms. Walkine attended the College of the Bahamas where she achieved her Associates of Arts Degree in French and Spanish Language in 1977. She then attended Elmira College, NY, where she attained her BA degree in French and Spanish with a minor in German.

### ***Paula Rigby – Vice President – Finance, Chief Financial Officer & Secretary***

Ms. Rigby joined NAD in 2007 as Financial Controller and was appointed Director of Finance in 2013. In April 2016, she was appointed Acting Vice President of Finance and Chief Financial Officer and subsequently Vice President and Chief Financial Officer in October 2016.

Ms. Rigby is responsible for the leadership and coordination of NAD's financial planning, debt management and budget management functions toward the continued implementation of the organization's strategic goals.

She holds a Bachelor of Arts Degree (Business Administration) from Acadia University and is a Certified Public Accountant (CPA) and Certified Internal Controls Auditor. Ms. Rigby is a member of the Bahamas Institute of Chartered Accountants, Association of Airport Internal Auditors and the Association of Certified Fraud Examiners. She has worked in the Department of the Auditor General, Deloitte and Touché and in private Banking with Oceanic Bank and HSBC Bank Bahamas Limited.

### ***Deborah Coleby – Vice President – Operations***

Deborah Coleby has responsibility for the overall landslide, terminal and airside operational functions of the LPIA.

In early 2007, Ms. Coleby joined NAD as Manager of the Operations Center and transitioned to Director of Operations and Passenger Facilitation a year later. She served as the Acting General Manager at the Providenciales Airport in Turks and Caicos for a period in 2008 before returning to NAD. Prior to joining

NAD, Ms. Coleby served as a teacher with the Ministry of Education and BTVI. After twenty years, she transitioned to the Ministry of Housing, followed by serving as the Secretary to the Crime Commission and the Airport Advisory Committee. In early 2000, she helped establish the Airport Authority and was subsequently made Secretary to the Board and Manager of the Airport Authority Executive Offices. In April 2015, Ms. Coleby was appointed as the first Bahamian Vice President of Operations at NAD.

She is a graduate of Lincoln University, where she received a Bachelor of Arts Degree with Honors in French and a teaching certificate. She has completed multiple aviation training and leadership courses including Crisis Management by IATA in Madrid, Spain and Personal Leadership and Coaching workshops at The Banff Centre, in Banff, Alberta.

Ms. Coleby has served as a volunteer with The Bahamas Red Cross for over 20 years and is also a member of The Bahamas National Trust.

#### ***Jan Knowles – Vice President – Marketing & Communications***

Jan Knowles' responsibilities include working with stakeholders to build airlift and drive aeronautical revenue, creating non-aeronautical revenue and passenger value through cutting edge commercial initiatives and all branding and corporate communications activities for LPIA.

Before joining NAD, Ms. Knowles served as Regional Manager, Public Relations and Communications for RBC Royal Bank from 2006 to 2014. She previously held positions at the Bahamas National Trust, Director of Development from 2004 – 2006; and Atlantis Resort Casino, Public Relations and Human Resources Coordinator from 1994 – 2004. Ms. Knowles holds an Associate of Arts Degree in Marketing from the College of the Bahamas, a Bachelor of Arts Degree in Marketing from Jacksonville University and an MBA Degree from Nova Southeastern University.

She has served on a number of boards and committees, including Special Olympics Bahamas, Hands for Hunger and Princess Margaret Hospital Foundation.

#### ***Kevin McDonald – Vice President – Maintenance & Engineering***

Kevin McDonald is the Vice President, Maintenance and Engineering of NAD. Mr. McDonald has the broad responsibility of providing operational oversight for the development and construction of new facilities, while maintaining the new US Departures Terminal, and existing facilities as we transition to the new terminals. Prior to assuming his current role, he held the office of Director of Maintenance and Engineering, managing a large team of persons responsible for electrical, mechanical and structural engineering and maintenance at LPIA. Mr. McDonald joined NAD in September of 2008. Prior to joining NAD, he worked for Atlantis as Assistant Chief Engineer for the Beach and Coral Towers, then Director of Projects.

Mr. McDonald holds a Bachelor of Science Degree (Mechanical Engineering) from Florida International University and an Associates of Arts Degree (Electronics) from the College of the Bahamas. Mr. McDonald is a Licensed Professional Engineer, in the disciplines of Mechanical Engineering and Building Services Engineering and is also a Certified International Project Manager.

## **CONTRACTUAL STRUCTURE**

The general relationship between The Airport Authority, NAD and Vantage Bahamas, as well as the rights and obligations of each party is set out within the Lease Agreement, Transfer Agreement, and Management Agreement and the amendments thereto, as briefly summarized below:

### **Lease Agreement**

- 30-year agreement between The Airport Authority and NAD dated April 1, 2007 leasing the Airport premises to NAD.
- Rent is paid to The Airport Authority based on a percentage of gross revenue, with an annual minimum payment of \$500,000 adjusted for CPI.
- An extension of the Lease Agreement to 2057 has been approved by the Cabinet.

### **Transfer Agreement**

- 30-year agreement between The Airport Authority and NAD dated April 1, 2007.
- Provides for the transfer of assets and contracts from The Airport Authority to NAD during the period of the agreement. All liabilities of the Airport Authority prior to 1 April 2007 remained for the account of the Airport Authority.
- Provides for NAD to manage and develop the Airport premises, with the exception of security and crash, fire and rescue services, which are to be provided by the Airport Authority.
- Provides for the implementation of a PFC by NAD and contains an agreement to adjust fees and charges to repay the terminal redevelopment debts and to maintain debt covenants.
- An extension of the Transfer Agreement to 2057 has been approved by the Cabinet.

### **Management Agreement**

- A 10-year agreement between The Airport Authority, NAD, Vantage Bahamas and Vantage dated October 19, 2006 which was extended for a further 2 years in 2016, with a further automatic extension of another 2 years thereafter. The Company's Board has recommended that the Management Agreement be further extended to March 31, 2029. Provides for the management of the Airport and redevelopment of the Airport by Vantage Bahamas.
- Includes placement of five executives and the training of Bahamians to fill three executive roles within one year of the terminal redevelopment completion. Today all five executives are Bahamian.
- Management fees paid based on financial performance subject to an annual minimum fee, and all executive compensation of the five seconded executives paid by NAD.

**For further particulars, reference should be made to the actual terms of the above agreements which are available for inspection.**

## **RELATED PARTY AGREEMENTS**

Under the Management Agreement, Vantage Bahamas provides five executives to execute its obligations to operate NAD. As such, the five executives that comprise the senior management team at NAD are Vantage Bahamas employees.



## GENERAL AND LIABILITY INSURANCE

NAD has a comprehensive set of insurance policies in place which are aligned with the requirements of the Transfer Agreement. NAD regularly reviews its policies and pricing.

The Company has the following insurance policies:

Type of Insurance	Sum Insured
All Risk of Direct Physical Loss of Damage Insurance Policy	<ul style="list-style-type: none"><li>• Material Damage – US \$449 million</li><li>• Business Interruption – US \$23 million including 3 million for increased cost of working</li></ul>
Director's and Officer's Liability and Company Reimbursement Insurance	<ul style="list-style-type: none"><li>• US \$10 million any one claim including defense costs and expenses</li></ul>
Employers Liability Insurance Policy	<ul style="list-style-type: none"><li>• US \$1 million – Limit of Indemnity</li></ul>
Catastrophic Insurance	<ul style="list-style-type: none"><li>• Indemnity from the Government for hurricanes or catastrophic damage</li></ul>

## LITIGATION

Other than pending litigation incidental to the Company's operations, there are no current, pending or threatened legal proceedings to which the Company is a party. The Company has no reason to believe that pending litigation will adversely affect the Company's financial position.

## Investment Highlights

<b>Established International Travel Destination</b>	<ul style="list-style-type: none"> <li>• The Bahamas is a popular vacation destination for US travelers due to its proximity to the US (over 80% of passenger traffic)</li> <li>• The Bahamas offers a wide range of mid and high-end tourism attractions with properties such as the Atlantis Mega Resort (3,400 rooms), the Meliá Nassau Beach Resort and the Warwick Resort property on Paradise Island; Baha Mar, a \$4.2 billion new hotel development with over 2,300 rooms, had its phase one opening on April 21, 2017 and has been fully open as of June 1, 2018</li> <li>• LPIA also benefits from short- and long-term travel initiatives offered by the Government, hoteliers and other tourism attraction operators (such as the Airfare Credit program) to increase travel to The Bahamas</li> </ul>
<b>Unique Airport Offering &amp; Ability to Accommodate Growth</b>	<ul style="list-style-type: none"> <li>• LPIA is one of four Caribbean airports with a US pre-clearance facility</li> <li>• Due to the successful terminal redevelopment project completed in 2013, the terminal capacity at LPIA can now accommodate over 50% growth in passenger levels to over 5 million passengers</li> <li>• The addition of Automated Passport Control kiosks in 2015 has also dramatically improved US-bound passenger processing capacity</li> </ul>
<b>Demonstrated Ability to Increase Aeronautical Fees</b>	<ul style="list-style-type: none"> <li>• In December 2017, domestic PFCs were increased from \$7.50 to \$10.00, international PFCs were increased from \$34.00 to \$38.00, and the PPF was increased from \$6.00 to \$10.00 per passenger</li> <li>• Aeronautical Fee increases provide a solid foundation for NAD to meet future financial obligations</li> </ul>
<b>Aeronautical Rate Setting Flexibility</b>	<ul style="list-style-type: none"> <li>• NAD maintains flexibility to modify aeronautical Fees and Charges as necessary, subject to a predefined set of requirements and procedures outlined in the Airport Authority (Fees and Charges) Regulations, 2009</li> <li>• NAD may seek an adjustment in the aeronautical Fees and Charges as may be reasonably necessary to ensure the Company is able to meet scheduled debt service, meet projected operating and capital expenditures and achieve compliance with financial covenants with respect to current and expected future debt.</li> <li>• The Airport Authority has the authority to approve fee increases without formal government approval</li> </ul>

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**Experienced  
Airport  
Manager**

- Vantage is an experienced airport developer, investor and operator with a demonstrated track record in operating and managing airports for 24 years across 29 locations globally
-

## Historical Financial information & Key Business Drivers

*The Company's fiscal year ends on June 30 and references in this Memorandum to any specific fiscal year are to the twelve-month period ended June 30 of such year. For example, "fiscal 2018" or "FY 2018" means the Company's fiscal year that began on July 1, 2017 and ended on June 30, 2018.*

*In Appendix I, the Company includes its audited financial statements for the year ended June 30, 2018.*

### REVENUES

Revenue grew at a CAGR of 5.7% between FY2014 and FY2018. Between FY2014 and FY2017, revenues grew at a CAGR of 2.5%, driven primarily by stable growth in passenger traffic and increased non-aeronautical revenues. Revenues for FY2018 were \$89.4 million, a 16.1% increase over FY2017, driven by increased PFC and PPF rates (implemented in December 2017) and a 6.2% year on year increase in traffic driven by increased hotel room capacity in The Bahamas.

Revenue Source	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
PFC + PPF	49,719,038	52,356,682	53,317,330	52,989,445	63,904,080
Landing Fees	6,167,784	6,302,049	6,440,491	6,715,080	7,081,110
Terminal Fees	1,205,045	1,167,267	1,166,909	1,167,897	1,214,433
Loading Bridges	364,460	424,863	495,118	535,923	525,053
Aircraft Parking Fees	109,384	110,822	124,657	134,440	136,785
<b>Total Aeronautical Revenues</b>	<b>57,565,710</b>	<b>60,361,683</b>	<b>61,544,505</b>	<b>61,542,785</b>	<b>72,861,461</b>
Leases	3,340,652	3,453,049	3,263,090	3,516,989	3,863,044
Vehicle Parking	2,423,623	2,508,803	2,670,346	2,927,622	3,170,325
Rent and Concessions	4,952,982	4,804,112	5,158,312	5,866,114	6,080,272
Fuel Royalties	1,594,287	1,633,876	1,586,062	1,584,339	1,698,016
Advertising	1,617,729	1,683,917	1,631,100	1,475,587	1,584,594
Other Revenue	96,461	121,660	116,303	114,314	138,240
<b>Total Non-Aeronautical Revenues</b>	<b>14,025,733</b>	<b>14,205,417</b>	<b>14,425,212</b>	<b>15,484,965</b>	<b>16,534,491</b>
<b>Total Revenues</b>	<b>71,591,443</b>	<b>74,567,100</b>	<b>75,969,717</b>	<b>77,027,750</b>	<b>89,395,951</b>
<i>Growth</i>		4.2%	1.9%	1.4%	16.1%

### Aeronautical Revenues

Year over year increases in Aeronautical Revenues reflect a combination of increases in passenger traffic and rates and charges at LPIA. The increases in passenger traffic over the period were driven by a joint effort by NAD, the Nassau Paradise Island Promotion Board, and the Government to attract tourism and events to The Bahamas. Airlift/seat capacity to The Bahamas also increased, resulting from stakeholders like NAD communicating with airlines to ensure airlift capacity is available to meet the increased hotel room capacity.

Since PFC and PPF are charged on a per-departing passenger basis, any year over year increases in passenger traffic increase revenue. After careful review of capital needs and in response to rating pressures caused by a downgrade of the sovereign credit, NAD increased PFC and PPF rates in December 2017. In advance of the increase, an independent traffic study was commissioned which concluded that there was minimal risk of reduced passenger traffic as a result of the rate increases.

NAD increased aeronautical fees (which drive landing fees, terminal fees, loading bridges and aircraft parking fees) by 3% in each of FY2015 and FY2018 to adjust rates for inflation. NAD undertook extensive airline and stakeholder consultations to mitigate any negative impact of the increases.

### **Non - Aeronautical Revenues**

Year over year increases in passenger traffic were also a key driver of increased non-aeronautical revenues over the period.

NAD also increased the spend per passenger at LPIA by (i) adding new retail and food and beverage offerings and (ii) improving customer experience by engaging passengers through specific promotions that drove passengers to increase spending, including opportunities to win discounts and return vacation trips.

In FY2018, NAD also introduced a new Car Rental Incentive Fee (“CIF”) and a fee for Ground Transportation providers through the Automated Vehicle Identification (“AVI”) system which levies a small fee for use of the commercial traffic lanes at LPIA. Each commercial vehicle is charged a small fee for each entry it makes into the commercial lane.

Following a review of parking rates at Vantage’s network airports and other similar parking offerings in the Caribbean, NAD increased short-term and long-term parking rates in FY2015.

### **OPERATING EXPENSES**

Operating Expenses over the FY2014-2018 period reflected only modest growth (FY2014 to FY2018 CAGR of 0.7%) due to NAD management’s strong cost controls.

<b>Operating Expenses</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Salaries, Wages & Benefits	8,001,610	8,940,820	9,460,454	8,847,103	8,561,684
Materials, Supplies & Services	15,480,836	14,931,428	14,439,953	13,966,224	15,617,545
Business License Fees	575,563	1,616,814	1,139,546	1,151,129	1,113,953
Transition Expenses	509,666	-	-	-	-
<b>Total Operating Expenses</b>	<b>24,567,674</b>	<b>25,489,062</b>	<b>25,039,953</b>	<b>23,964,456</b>	<b>25,293,182</b>
<i>Growth</i>		3.8%	(1.8%)	(4.3%)	5.5%

### **Salaries, Wages & Benefits**

Salaries, wages & benefits include salaries and wages for all NAD employees (including seconded Vantage Bahamas employees), performance bonuses, and employee insurances and pensions. Salaries, wages & benefits have grown modestly since FY2014 (CAGR of 1.7% from FY2014 to FY2018).

From FY2014 to FY2016 these costs increased as a result of filling several vacant positions and increase in employee benefits.

In FY2017 and FY2018 these costs decreased primarily as a result of staff attrition, reduced bonuses and supervisory and management staff not receiving salary increases as part of a cash flow management plan to maintain compliance with covenants (driven by the delayed opening in Baha Mar and lower traffic than originally forecasted), and contract staff being expensed against the Materials, Supplies & Services line item.

### **Materials, Supplies and Services**

Cost of materials, supplies and services includes repairs and maintenance, consumables, Airport Authority rent, utilities, and professional fees (including Vantage Bahamas management fee). These costs have remained relatively flat since FY2014, growing at a CAGR of only 0.2% (from FY2014 to FY2018).

The reduction in these costs from FY2015 to FY2017 was due to a combination of lower utility costs from the decommissioning of the old terminal building and certain non-essential projects and administrative expenses being deferred while the Company managed/monitored cash flow (as discussed above). The increase in FY2018 was primarily as a result of advancing repairs and maintenance expenses that had been deferred in prior years

### **Business License Fees**

Business license fees are assessed on the Company's total revenue in a calendar year (January – December). As NAD's financials are reported on a fiscal year basis (July – June), the increase in FY2015 compared to FY 2014 was as a result of NAD expensing 12 months of fees in FY2015 (July 2014 through June 2015) compared to 6 months of fees in FY2014 (January through June 2014).

Decreases in these costs since FY2016 have been driven by a change in the business license tax rate by the Government.

### **Transition Expenses**

Transition expenses relate to operational expenses directly related to the terminal redevelopment project that were not capitalized, as the third terminal was completed in October 2013. There have been no further expenses in this category following completion of the terminal redevelopment project.

## **HISTORICAL REVENUES AND EBITDA**

LPIA's stable passenger volumes in addition to initiatives taken by NAD management to increase revenues, have translated into strong growth in revenue (FY2014 to FY2018 CAGR of 5.7%) and EBITDA growth (FY2014 to FY2018 CAGR of 8.1%).

As discussed above, the 16.1% increase in revenues and EBITDA in FY2018 was a result of higher PFC and PPF rates charged by NAD (effective in December 2017) and strong traffic growth (6.2%) in FY2018.

Description	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Revenue	71,591,443	74,567,100	75,969,716	77,027,749	89,395,951
Total Operating Expenses	24,567,674	25,489,062	25,039,953	23,964,456	25,293,182
<b>EBITDA</b>	<b>47,023,768</b>	<b>49,078,038</b>	<b>50,929,763</b>	<b>53,063,293</b>	<b>64,102,769</b>
<i>Growth</i>		4.4%	3.8%	4.2%	20.8%

## Debt Profile of the Company

The current debt issued by NAD is related to the terminal redevelopment project. From 2008 to 2013, NAD undertook four separate raises of senior and subordinated junior participating debt in US and BS dollars which amounted to \$502 million in order to finance the construction cost of the new terminals.

The total amount of senior and subordinated junior participating debt as of December 31, 2018 is \$523.25 million. The Senior Notes are fully amortizing and there is no refinancing risk over the term of the Senior or Participating Debt Notes.

### **Summary of total outstanding debt as at December 31, 2018**

Senior Debt Notes	Interest Rates	Maturity Dates	Original Loan Amount	Balance at Dec 31, 2018
Senior Debt Notes - USD	8.50%	31-Dec-31	12,000,000	9,600,000
Senior Debt Notes - USD	7.00%	30-Nov-33	165,000,000	146,850,000
Senior Debt Notes - USD	6.34%	31-Mar-35	113,000,000	104,807,500
Senior Debt Notes - USD	6.44%	30-Jun-35	90,000,000	84,150,000
Senior Debt Notes - BSD	8.50%	31-Dec-31	30,000,000	24,000,000
Senior Debt Notes - BSD	6.34%	31-Mar-35	22,000,000	20,405,000
<b>Total Senior Debt Notes</b>			<b>432,000,000</b>	<b>389,812,500</b>
Participating Notes	Interest Rates	Maturity Dates	Original Loan Amount	Balance at Dec 31, 2018
Participating Notes - USD	13.00%	29-Mar-34	10,000,000	16,174,372
Participating Notes - USD	13.00%	29-Mar-34	50,000,000	101,086,247
Participating Notes - BSD	13.00%	29-Mar-34	10,000,000	16,174,372
<b>Total Participating Notes</b>			<b>70,000,000</b>	<b>133,434,991</b>
<b>GRAND TOTAL</b>			<b>502,000,000</b>	<b>523,247,491</b>

On October 4, 2018, Fitch Ratings revised its outlook on the Company to BBB- (stable outlook) from BBB- (negative outlook). This reflected the stabilization of The Bahamas credit profile supported by the reduction of the fiscal deficit and the opening of Baha Mar.



## SENIOR SECURED NOTES: KEY TERMS & CONDITIONS

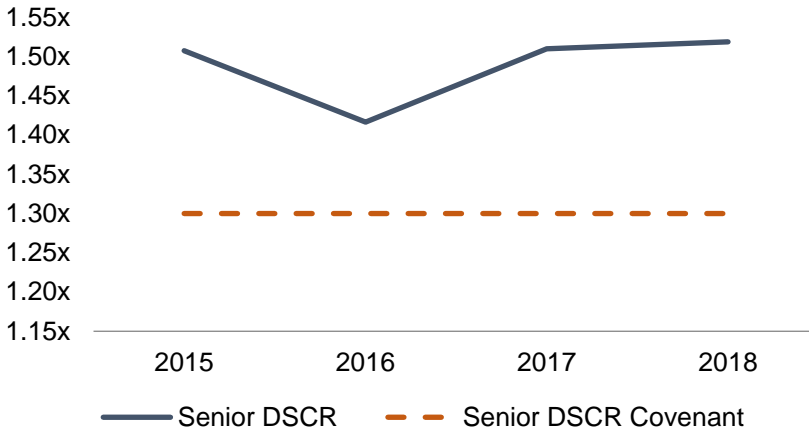
The senior notes have a balance outstanding of approximately \$390 million as of December 31, 2018 and will be fully repaid by June 30, 2035.

Description	Senior Secured Notes
<b>Voluntary Prepayment</b>	At Make-Whole
<b>Restricted Payments (other than Participating Debt Payments identified in the Account Control Agreements)</b>	Subject to: <ul style="list-style-type: none"> <li>• Min DSCR of 1.40x over last 12 months</li> <li>• No Event of Default or Default</li> <li>• DSRA is fully funded</li> <li>• Participating Debt is fully repaid</li> </ul>
<b>Financial covenants</b>	<ul style="list-style-type: none"> <li>• DSCR of 1.30x</li> </ul>
<b>Additional Senior Debt</b>	Allowed if amongst others: <ul style="list-style-type: none"> <li>• Must be rated at least BBB- after Additional Senior Debt</li> <li>• No Event of Default or Default</li> <li>• Min DSCR of 1.4x for each fiscal year and Average Min DSCR of 1.5x over all fiscal years</li> <li>• Any Additional Senior Debt must be 50% or less of the then outstanding principal amount under the Notes Facility and the Stage 1 Senior Facilities.</li> </ul>
<b>Interest computation</b>	30 / 360 days
<b>Debt Service Reserve</b>	6 months if investment grade
<b>Interest Rate Hedge</b>	None

\*The term "Make-Whole Amount" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero

### Historical Senior Debt Service Coverage Ratios\*

Historical Senior Debt Service Coverage Ratios have exceeded 1.40x since 2015 – above the Restricted Payments covenant of 1.40x and the Financial Covenant of 1.30x. The Debt Service Coverage Ratio decreased from 1.51x in FY2015 to 1.42x in FY2016 as a result of increased debt service on the Existing Senior Debt and movements in working capital. Since FY2016, the Debt Service Coverage Ratio has increased to over 1.50x, and as discussed below, is expected to continue to strengthen due to traffic increases related to the full opening of Baha Mar and with the full effect of the PFC and PPF increases.

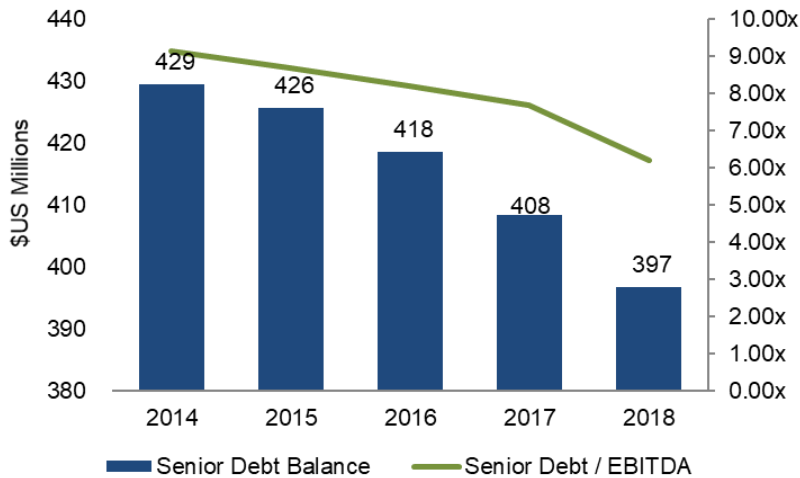


\*Note: 2014 was a partial year for debt service requirements.

### **Historical Senior Debt Balance and Debt/EBITDA**

The Existing Senior Debt continue to be repaid as per the scheduled amortization of the Existing Senior Debt. The Existing Senior Debt balance has reduced from \$429 million in FY2014 to just under \$400 million in FY2018.

The Existing Senior Debt/EBITDA has continued to decrease from just over 9.0x in FY2014 to 6.2x in FY2018, primarily due to improving EBITDA and scheduled amortization of the Senior Debt.

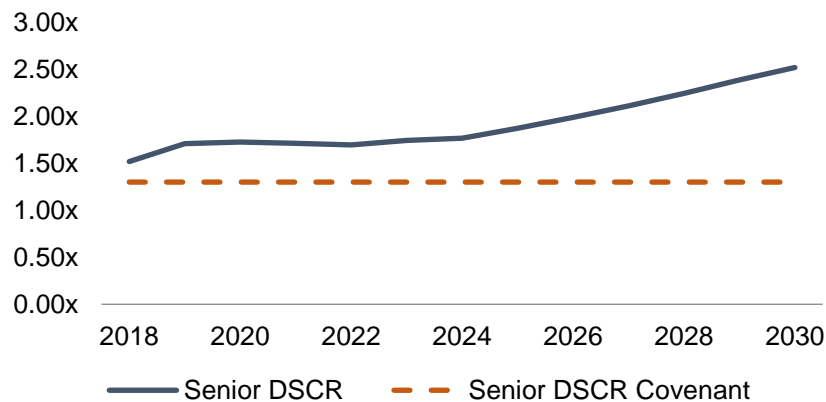


# Financial Projections and Assumptions

## Projected Senior Debt Service Coverage Ratios

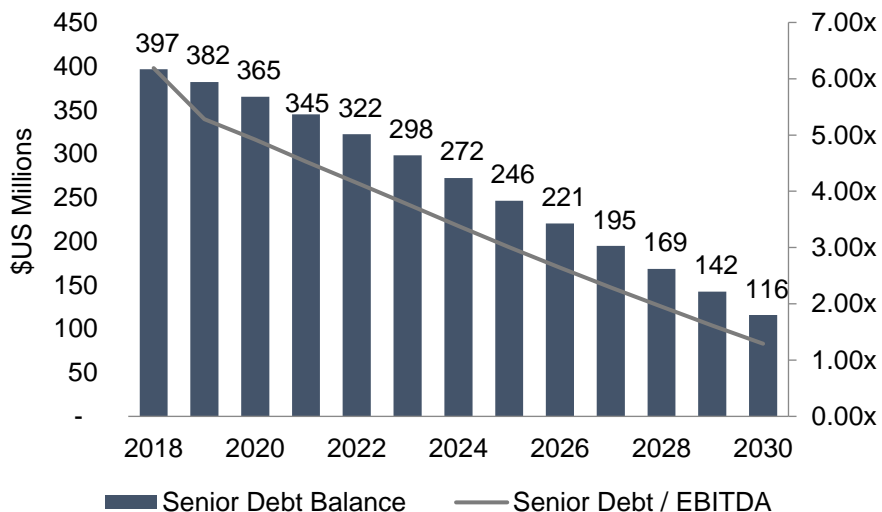
As also noted elsewhere in this Memorandum, the higher PFC and PPF rates charged by NAD effective in December 2017, combined with the significant passenger traffic growth at LPIA (6.2%) in FY2018, provides a strong foundation for NAD's financial position going forward. While traffic growth is expected to normalize, the combination of higher rates combined with strong cost management is expected to drive continued growth in cash flow.

Senior Debt Service Coverage Ratios are projected to further strengthen from 1.71x in FY2019 to over 2.00x by FY2027.



## Projected Senior Debt Balance and Debt/EBITDA

The Existing Senior Debt/EBITDA is projected to reduce from 5.3x in FY2019 to 3.0x in FY2025.



## Projected Participating Notes Paydown

As NAD continues its strong operational performance and generates increased cash flows, it expects to pay cash Interest on the Participating Debt (although is not obligated to do so) and continue to pay down Participating Debt Principal via cash sweeps.

NAD currently projects that Participating Debt will be fully paid down by FY2029.

Fiscal Year Ending June 30 (in US\$ millions)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Total Revenue	89.4	101.2	104.4	107.2	109.4	111.6	113.8	116.1	118.4	120.7	123.1	125.6	128.0
Total Costs	25.3	28.9	30.1	31.0	31.7	32.5	33.3	34.1	34.9	35.7	36.6	37.4	38.3
<b>EBITDA</b>	<b>64.1</b>	<b>72.3</b>	<b>74.3</b>	<b>76.3</b>	<b>77.7</b>	<b>79.1</b>	<b>80.5</b>	<b>82.0</b>	<b>83.5</b>	<b>85.0</b>	<b>86.5</b>	<b>88.1</b>	<b>89.7</b>
Less Change in Working Capital	(5.8)	(1.8)	(1.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Less Maintenance Capex	(0.8)	(22.7)	(25.8)	(11.2)	(6.1)	(5.0)	(45.4)	(15.3)	(18.3)	(21.1)	(62.9)	(5.8)	(19.0)
<b>Cash Flow Available for Debt Senior Debt Service</b>	<b>57.4</b>	<b>47.8</b>	<b>47.4</b>	<b>64.8</b>	<b>71.5</b>	<b>73.9</b>	<b>35.0</b>	<b>66.5</b>	<b>65.1</b>	<b>63.7</b>	<b>23.4</b>	<b>82.1</b>	<b>70.5</b>
PD Debt Financing Proceeds	-	5.7	-	-	-	-	-	-	-	-	-	-	-
Senior Debt Service	(39.8)	(45.0)	(44.2)	(45.1)	(46.0)	(45.9)	(44.9)	(43.1)	(41.4)	(39.6)	(38.1)	(36.3)	(35.5)
<b>FCF after Senior Senior Debt Service</b>	<b>17.7</b>	<b>8.5</b>	<b>3.1</b>	<b>19.7</b>	<b>25.4</b>	<b>28.0</b>	<b>(9.9)</b>	<b>23.4</b>	<b>23.7</b>	<b>24.1</b>	<b>(14.6)</b>	<b>45.9</b>	<b>35.0</b>
Less Cash Interest to Subordinated Debt	(0.6)	(5.4)	(9.1)	(8.5)	(7.2)	(6.0)	(5.9)	(5.4)	(3.9)	(3.0)	(3.0)	(1.6)	-
Less Cash Sweep to Subordinated Debt	-	-	(23.6)	(12.3)	(18.4)	(6.4)	-	(18.0)	(20.0)	-	-	(40.3)	-
<b>Cash Flow pre draws from Cash Account</b>	<b>17.1</b>	<b>3.1</b>	<b>(29.6)</b>	<b>(1.2)</b>	<b>(0.2)</b>	<b>15.6</b>	<b>(15.8)</b>	<b>0.0</b>	<b>(0.3)</b>	<b>21.1</b>	<b>(17.6)</b>	<b>4.0</b>	<b>35.0</b>
Draw s from Cash Account	-	-	29.6	1.2	0.2	-	15.8	-	0.3	-	17.6	-	-
Deposits into Cash Account	(17.1)	(3.1)	-	-	-	(15.6)	-	(0.0)	-	(21.1)	-	(4.0)	(35.0)
<b>Excess Cash Flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Balance (incl reserves)</b>	<b>35.0</b>	<b>38.1</b>	<b>8.5</b>	<b>7.4</b>	<b>7.2</b>	<b>22.8</b>	<b>7.0</b>	<b>7.0</b>	<b>6.8</b>	<b>27.9</b>	<b>10.2</b>	<b>14.3</b>	<b>49.3</b>
<b>Participating Debt</b>													
Beginning Balance	125.3	139.1	115.5	103.1	84.7	78.3	78.3	60.3	40.3	40.3	40.3	40.3	0.0
PIK Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense PIK & Financing Costs	13.8	-	-	-	-	-	-	-	-	-	-	-	-
Sweep	-	(23.6)	(12.3)	(18.4)	(6.4)	-	(18.0)	(20.0)	-	-	-	(40.3)	-
<b>Ending Balance</b>	<b>139.1</b>	<b>115.5</b>	<b>103.1</b>	<b>84.7</b>	<b>78.3</b>	<b>78.3</b>	<b>60.3</b>	<b>40.3</b>	<b>40.3</b>	<b>40.3</b>	<b>40.3</b>	<b>(0.0)</b>	<b>0.0</b>
Cash Interest Expense	5.4	9.1	8.5	7.2	6.0	5.9	5.4	3.9	3.0	3.0	1.6	-	-

## Investment Risks

An investment in the Notes involves a high degree of risk. A prospective investor should carefully consider the following risks, together with other information provided in this Memorandum, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could have a material adverse effect on the Company's business, results of operations or financial condition. If these events occur, the market value of the Notes could decline, and the Company may not be able to pay all or part of the Interest or Principal on the Notes, and an investor may lose all or part of their investment. Additional risks not currently known to the Company or that the Company now deems immaterial may also harm the Company and affect the investment made.

This Memorandum contains "forward-looking" statements that involve risks and uncertainties. Actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Memorandum. See "Forward-Looking Statements."

In addition to the other information contained in this Memorandum, the following risk factors should be considered carefully by prospective investors considering investing in the Company's Notes. The risks and uncertainties described below are not set forth in any particular order and are not the only risks and uncertainties facing the Company. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Memorandum.

Prior to making an investment decision, prospective investors should review this Memorandum and consider the suitability of this investment in light of their personal circumstances. If there is any doubt, they should seek independent professional investment and legal advice. Prospective investors should note that the value of the Notes could go down as well as up.

### **Risks Related to the Notes and Collateral**

#### **Liquidity Risk: An active trading market will not develop for the Notes.**

- The Notes will not be listed on the local stock exchange (BISX). As such, the Company cannot assure any prospective investor as to the liquidity of the Notes, the ability of holders of the Notes to sell them or the price at which the holders of the Notes may be able to sell them. The liquidity of the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Company's own financial condition, performance and prospects, as well as recommendations by securities analysts. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price volatility. The Company cannot assure any prospective investor that if a market for the Notes were to develop, such a market would not be subject to similar disruptions. As a result, the Company cannot assure any prospective investor that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If an active trading market does not develop or cannot be

maintained, this could have a material adverse effect on the liquidity and the trading price of the Notes. Market fluctuations, as well as economic conditions, have adversely affected the market price of many securities. The Company cannot give any assurance that these conditions will not adversely affect the market price of the Notes.

- If a market for the Notes does develop, the Company also cannot assure any prospective investors that they will be able to sell their Notes at a particular time or that the prices that they receive when they sell will be favorable.
- The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

**Senior Debt Increases:** The Company has the ability to increase its level of senior debt should it meet pre-existing covenants attached to the Existing Senior Debt.

This could have an adverse effect on the holders of the Participating Notes.

**Assets Pledged as Security:** The assets pledged to secure the Senior Secured Facilities will not be available to investors until those obligations are first satisfied.

- The Company has senior Amortizing debt, the holders of which have mortgages, assignments by way of mortgage, charges and pledges over the assets of the Company.
- The Company's debt instruments, including its existing credit facilities and the indentures governing the Existing Senior Debt, impose significant operating and financial restrictions on it.
- The realizable value of the Collateral (taking into account the Company's senior indebtedness) is unlikely to be sufficient to satisfy its obligations under the Notes.
- The Company may incur additional indebtedness which could create additional risks or increase the risks described herein.
- The mortgage, assignment, charge and pledge of certain Collateral may in certain circumstances be deemed invalid or voidable.
- Security over certain parts of the Collateral will be granted to each of the Agents (as the case may be) who will hold the same for the benefit of the Noteholders subject to prior claims of the holders of the Senior Secured Facilities.

#### **Subsidiary Guarantees**

- The Company presently has no subsidiaries.
- If the Company establishes or acquires subsidiaries, Noteholder claims against non-guarantor subsidiaries will be structurally subordinated to the liabilities of such subsidiaries.
- Any subsidiary guarantees, if issued, may be challenged under applicable financial assistance, insolvency or fraudulent transfer laws, which could impair the enforceability of the subsidiary guarantees

#### **Covenant Thresholds**

- Under the terms of the Senior Secured Facilities Documents the Company is required to have a minimum Debt Service Coverage Ratio of 1.40:1 as of the last Interest Payment Date prior to paying Interest or Principal on the Notes. An unexpected reduction in its revenues or increase in

its expenses could adversely impact the Company's cash flow, and thus its ability to make scheduled Interest Payments on the Notes.

**Revenue: The Company's ability to generate cash depends on many factors beyond its control, and the Company may not be able to generate the cash required to service its debt.**

- The Company's ability to make scheduled Interest payments on the Notes, to repay the Principal and to meet its other debt service obligations or to refinance its debt depends on its future operating and financial performance and ability to generate cash. This will be affected by its ability to implement successfully its business strategy, as well as general economic, financial, competitive, regulatory, technical and other factors beyond its control. If it cannot generate sufficient cash to meet its debt service obligations or fund its other business needs, the Company may, among other things, need to refinance all or a portion of its debt, including the Notes, obtain additional financing, delay capital expenditures or sell assets. The Company cannot give any assurance that it will be able to generate sufficient cash through any of the foregoing. If it is not able to refinance any of its debt, obtain additional financing or sell assets on commercially favorable terms or at all, the Company may not be able to satisfy its obligations with respect to its debt, including the Notes. If this were to occur, holders of the relevant senior debt would be able to declare the full amount of such debt due and payable. The Company's assets may not be sufficient to pay such amounts.

**Price Risk: Notes may not trade at or above the subscription price.**

- In the event investors wish to liquidate holdings prior to the Notes' maturity date they should be aware that the market value of the Notes may go down as well as up. Historical results do not guarantee future performance. The market price at which Notes may be sold could be subject to significant fluctuations in response to various factors and events, such as, but not limited to, the liquidity of the market, differences between the Company's actual financial or operating results and those anticipated by analysts or investors, volatility and fluctuations in prevailing interest rates and changes in analysts' recommendations.

**Representation: No independent representation; limited voting rights.**

- The Company has consulted with legal counsel, its Placement Agents and other experts regarding the structure of the Offering. Such counsel and advisors are accountable to the Company only and not to the Noteholders themselves. Each prospective investor should consult their own independent advisors in determining the desirability of an investment in the Notes.
- Noteholders meeting the definition of Required Holders will only have the ability to request certain action by the Participating Debt Note Agent, or consent thereto, including, (i) subject to the Intercreditor Agreement, foreclosure upon the occurrence of an Event of Default, and (ii) delivery of an opinion by independent public accountants with respect to the Company's annual report.

**Investment: Non-revocation of subscription; no payment of Interests**

- Subscriptions for the Notes in this Private Placement will be irrevocable. If the Note issue does not proceed for any reason, subscribers will **not** receive Interest on their subscription funds upon return thereof to them.

**Suitability: The investment in these Notes may not be appropriate for all investors.**

- Investment in the Notes is speculative as the value of the investment may change. Should the Company enter into insolvency before the maturity date, investors may not receive future Interest or Principal payments.

**Transfers of Notes may be delayed**

- There will be delays associated with a transfer of US dollar denominated Notes due to regulatory approval requirements; the transfer of Bahamian dollar Notes may also be subject to delays. Investors requiring immediate liquidity should therefore carefully consider any investment in the Notes.

**Conflicts: Claims arising by reason of conflicts of interest will be waived.**

- Affiliates of Canadian Imperial Bank of Commerce, CIBC World Markets Corp. and CIBC Trust Company (Bahamas) Limited (collectively “CIBC”), and Royal Fidelity Merchant Bank and Trust Limited (“Royal Fidelity”) hold several roles in connection with this Offering. Furthermore, the Company is one of many clients. Consequently, conflicts of interest may arise in a variety of situations; including the provision of investment research, pricing of debt & equity securities, proprietary trading, portfolio management, personal account dealing and ownership / shareholding interests. Among other reasons, these potential conflicts may result from CIBC’s or Royal Fidelity’s investment activities on behalf of their other clients; securities offered may be recommended as investments to clients of their respective brokerage and/or investment advisory services and/or clients invested in their mutual funds.
- Further, CIBC and Royal Fidelity had, has, or may aspire to have investment banking, lending or other credit relationships with clients and may have received compensation from such clients in connection with transactions that have not been publicly disclosed. CIBC and Royal Fidelity or their shareholders, directors, officers and/or employees, may have a shareholding or deal as principal in the securities of a client.
- Prospective investors should assume that CIBC and/or Royal Fidelity may have a conflict of interest and recognize that by execution of the application form for the Notes, each such investor agrees not to assert any claim against CIBC or Royal Fidelity arising in connection with any conflict of interest experienced by CIBC or Royal Fidelity, whether or not specifically set forth above.

**Concession: NAD enjoys a concession from the Government.**

- If the Concession is terminated or transferred to another party, the Notes may attract tax, impact mark to market, or attract other liabilities made by any party substituting the Company and assuming the Company’s rights and obligations under the Concession.
- The Noteholders will not have any right to participate in the nomination of any entity selected to succeed the Company should it lose the Concession.

**Other Risks:**

- Investment in the Notes may subject investors to foreign exchange risks.
- The ratings assigned to the Notes may be lowered or withdrawn.



- Any downgrading of The Bahamas' debt rating by an international rating agency could have a negative impact on the Company's business and the trading price of the Notes.

### **Risks Related to our Company**

#### **Venture: The Company is highly reliant on tourism.**

- The Company is very highly reliant on tourism and the sustainability of same in The Bahamas, and to Nassau, New Providence and Paradise Island in particular. As outlined in the various risks below, the Company's business is subject to a variety of risks that may adversely impact its operations, and therefore its ability to repay the Notes.

#### **Shareholder Support: Neither the Airport Authority nor the Government is obligated to support the ongoing financial wellbeing of the Company.**

- The Airport is indirectly owned by the Government. Apart from an undertaking to assist in the event of catastrophic damage, the Government is not obligated to financially support the Airport or its operations.

#### **Financial Performance:**

- In the past the Company has been, but in the future may not be, compliant with certain covenants in relation to the Senior Secured Facilities Documents, which could result in an event of default under the respective Senior Secured Facilities Documents, thereby accelerating the Company's obligations under its debt facilities.
- The Company's high leverage, and the covenants attaching to the Senior Secured Facilities, could adversely affect its ability to raise additional capital to fund its operations and in turn prevent it from meeting its obligations under the Concession, particularly its obligations to maintain facilities at the Airport.
- The Company's operations and the terms of the Concession are regulated by the Government and the Airport Authority. The fees which the Company charges for aeronautical services comprise a substantial majority of its revenues. With the approval of The Airport Authority and subject to adherence to certain prescribed procedures, the Company is able to increase aeronautical fees and charges to allow the Company to generate sufficient revenue to meet its debt obligations, its projected operating and capital expenditures and achieve compliance with financial covenants with respect to its current and expected future debt. Accordingly, government regulations, decisions of The Airport Authority and the terms of the Concession can affect the Company's future results of operations and financial condition, which could therefore be materially and adversely affected.
- The Company's revenue and profitability may not increase if it fails in its business strategy.
- The Company may not be able to enter into or renew certain of its revenue generating and other commercial agreements on terms that are acceptable to it, or at all.
- The Company is exposed to certain key operating costs risks including, without limitation, the fixed and semi-fixed nature of some of its operating costs (including payroll costs, insurance, and energy costs) and the uncontrollable nature of some of its operating costs.
- The Company may incur significant capital expenditure prior to the maturity of the Notes in relation to the operation, maintenance and expansion of the Airport. More generally, the

Company's operations are continually being updated and there may be unforeseen capital expenditure risks.

**Regulatory Framework:** The Company cannot predict how the regulations and Concession governing its business will be applied.

- The Company is required to obtain Governmental Approvals with respect to a variety of matters affecting its operations, and its business is subject to extensive and evolving Bahamian law and regulation. In addition, new laws or regulations could be implemented that could have a direct or indirect effect on its operations. While the Company seeks to maintain the favorable relations it believes it enjoys with the regulators who oversee its business, there can be no assurance that these regulators will formulate and implement policies which are favorable to its business. In addition, new laws or regulations could be implemented that could have a direct or indirect effect on its operations. Key areas of its business that are subject to regulatory oversight include the rate-setting process applicable to aeronautical service tariffs, security and health and environmental safety. There can be no assurance that the regulatory agencies overseeing its operations will rule favorably for the Company or that the laws and regulations currently governing the Company's business will not change in the future or be applied or interpreted in a way that could have a material adverse effect on its business, results of operations and financial condition.

**Traffic Volumes:** The Company's revenue is highly dependent on levels of air traffic, which depend in part on factors beyond its control, including economic and political conditions and environmental factors.

- The Company is heavily reliant on the economic, political, and regulatory framework of the United States of America, which can impact its traffic volumes given that market represents the largest source of travelers to and from the Bahamas.
- Additional factors may include the following:
  - Macroeconomic events (including changes in fuel prices and currency exchange rates), whether or not directly affecting the Bahamian economy, or the global economy generally;
  - Adverse changes in domestic or international regulation or policy;
  - Increased competition, which may make the Airport less attractive compared to other airports in the region;
  - The development of efficient and viable alternatives to air travel, including the improvement or expansion of sea transport systems, the introduction of new transport links or technology, and the increased use of communications technology; and
  - Political factors and the regulatory environment, which are both beyond our control.The loss of one or more of the Company's key airline customers or a reduction in their services could result in a loss of a significant amount of the Company's revenue.

**Credit Risks:**

- The Company is exposed to certain credit risks, and if it is unable to collect on its receivables, that would have a material adverse effect on its business, results of operations and financial condition.

**Extraneous Factors and Events:**

- Increases in aviation fuel prices could result in airlines increasing their airline ticket prices, which, in turn, could reduce demand for air travel.
- International and domestic events could have a negative impact on international air travel.
- Terrorist attacks, civil disturbances and regional conflicts in other countries may have a material adverse effect on the Company's business.

**Operational Risks:**

- The Company's strategy to execute commercial property development projects at the Airport may be unsuccessful.
- The Company is exposed to risks related to construction and renovation projects, including the resurfacing of the runways which it is obligated to complete pursuant to the Concession.
- The Company's results of operations may fluctuate from period to period due to the cyclical and seasonal nature of the air transportation industry and the tourism industry which represents a significant component of the Bahamian economy.
- Routing and other operational decisions by airlines or airline alliances can affect traffic volumes and the Company's operations.
- The Airport competes with other destinations and airports in The Bahamas and in nearby countries, such as Cuba and other countries in the region.
- A change in relations with the Company's labor force could have an adverse impact on its business.
- The Company is exposed to risks inherent to the operation of airports, including aircraft crashes upon takeoff or landing, or bird strikes.
- The operations of the Airport may be affected by actions of third parties, such as air traffic control, fuelers (spills) which are beyond the Company's control.
- The Company is exposed to risks related to handling cargo, including improper screening leading to dangerous goods being moved.
- The Company is exposed to the risk of non-performance by its concessionaires and licensees.

The Company's business is exposed to various operational and systems risks, including the following:

- The Company's success depends in part on the efficient and uninterrupted operation of IT systems at the Airport as well as its computer and communications hardware systems. The Company actively relies on these systems for the management and operation of the Airport, including safety management, the operation of check-in processes, the operation of baggage and cargo tracking and the management of passenger data and other data.
- Various agencies of the Government that provide services to passengers and airlines at the Airport, such as air traffic control, security, electricity, and immigration and customs services, plant and animal quarantine services, health services and meteorological services, also rely on IT systems as well as the Company's computer and communications hardware systems. These systems and operations could be damaged or interrupted by fire, flood, power loss, telecommunications failure, computer viruses, physical or electronic break-ins, and similar events or disruptions. Any of these events could cause system interruptions, delays, and loss of critical data, and could impair or even halt some or all of the operations at the Airport. In addition, the Company's concessionaires' or licensees', or the Government's computer systems may be

vulnerable to computer viruses, physical or electronic break-ins and other similar disturbances, which could lead to interruptions, delays, loss of data or the inability to operate the Airport.

- The Company's risk management strategies may not be adequate against all possible operational and systems risk it faces. While the Company currently maintains insurance coverage for losses due to business interruption, the Company cannot give any assurance that this coverage would be sufficient to cover all of its potential losses. If any of these operational or systems failures were to occur, it could damage the Company's reputation, be expensive to remedy and could have a material adverse effect on its business, results of operations and financial condition.
- The Company's business is also exposed to operational risks such as fraud or unauthorized access by employees, contractors or outsiders, incorrect data provided by third parties, unauthorized transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems.
- Further, the Company's risk management strategies might prove to be inadequate, especially if unanticipated circumstances or risks come to pass, in which case the Company might incur substantial, unexpected losses. Any losses suffered as a result of these and other factors could have a material adverse effect on the Company's business, results of operations and financial condition.

#### **Other Risks Related to our Business:**

- The Company is subject to foreign exchange risk with respect to its U.S. dollar-denominated debt financing and certain revenue sources.
- The Company's insurance policies may not provide sufficient coverage against all liabilities.
- Legal or regulatory claims or investigations against the Company could have a material adverse effect on its business, results of operations and financial condition.
- The Company is subject to various environmental regulations, and a failure by the Company to comply with environmental and other regulations could seriously harm the Company.
- The Company's ability to retain, attract and train and retain executives and other qualified employees is critical to its business, results of operations and future growth.
- The Airport has been managed by Vantage Bahamas since 2006 pursuant to a Management Agreement dated October 19, 2006. The Company is required under the Senior Secured Facilities Documents to have the Airport managed by a Qualified Operator (as defined therein). If the Management Agreement is not extended to 2029 or renewed after 2029, the Company will have to engage a new manager of the Airport.
- The Company's business may, in the future, expand beyond the management, operation (including, if applicable, expansion) and maintenance of the Airport to include other airports within The Bahamas.

#### **Risks Related to the Country**

**Country Risk** - The Company could be subject to unexpected political, economic or legal developments that impact its business in The Bahamas and lead directly or indirectly to an adverse impact on its operations or the ability for the Company's customers to access its services.

- All of the Company's assets and operations are located in The Bahamas, and the Company is subject to regulatory, economic, social and political uncertainties in The Bahamas. Consequently,

the Company's financial performance will be affected by changes in exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government and also their respective policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting The Bahamas.

- The Government has exercised and continues to exercise significant influence over many aspects of the Bahamian economy. Since 1991, successive Bahamian governments have pursued policies of economic liberalization, including by significantly relaxing restrictions on the private sector and allowing foreign management of the Airport.
- A change in the Government's policy on direct and indirect taxation could adversely affect the Company's business.
- A prolonged slowdown in economic growth in The Bahamas or financial instability in other countries could cause the Company's business to suffer.
- Natural calamities and health epidemics and other events outside of the Company's control could adversely affect the Bahamian economy.
- Investors may not be able to enforce a judgment of a foreign court against the Company or its management, except by way of a suit in The Bahamas on such judgment.
- The Company cannot guarantee the accuracy of statistical and other information with respect to The Bahamas, the Bahamian economy or the airport industry contained in this Memorandum.

**Concentration: The Company's operations are centralized in New Providence**

- As the Company's operations are centralized on the main island of the Bahamas, should the island suffer a major impact from a hurricane, the Airport could be closed for some period of time.

**Emerging Market Risk: The Company operates in a market that could be considered economically uncertain, which could negatively affect its operations.**

- The Company is subject to government regulation in The Bahamas. To the extent that the Company's operations depend on certain governmental approvals and regulatory decisions, the Company's operations may be adversely affected by changes in the political structure or government representatives in The Bahamas. Recent political, security and economic changes have resulted in political and regulatory uncertainty. For example, The Bahamas has very high public debt to GDP ratios and while the Government has taken steps to address this risk, there is no guarantee it will be successful. Bahamas debt servicing costs remain high which hinder the Government's ability to spend funds on infrastructure and other programs which in turn could have a material adverse effect on the economic activity of the country and the Company's business.
- These challenges could interrupt the Company's operations and could have a material adverse impact on its ability to grow its business.

**Country-Small Island Nation - The Company operates in The Bahamas, which could effect changes to its laws that could unfavorably affect the Company's financial status.**

- There can be no assurance that the laws or administrative practices relating to taxation (including the newly increased VAT), foreign exchange or otherwise in The Bahamas will not change. Any

such change could have a material adverse effect on the Company's financial affairs and on the Company's ability to obtain financing to fund its operations and expansion plans.

## Use of Proceeds

The net proceeds to be received by the Company from this Offering estimated to be approximately B\$133,434,991, after estimated issue expenses of B\$5,665,009.

### **Proceeds of the Offering:**

<b>Issuance of Notes</b>	<b>139,100,000</b>
Issue Costs	1,391,000
VAT on Issuance Cost	166,920
Legal Costs and other cost	520,000
VAT on Legal Cost	62,400
Stamp Duty on Bond Issuance	2,086,500
Stamp Duty on USD	1,099,102
B\$/USD conversion cost	256,457
Stamp Duty on FX	3,847
Sundry Cost	78,783
<b>Total Estimated Costs</b>	<b>5,665,009</b>
<b>Net Proceeds</b>	<b>133,434,991</b>
<b>Use of Proceeds</b>	
<b>Existing Participating Notes Outstanding</b>	<b>133,434,991</b>

## Interest Rate Determination and Policy

The fixed Interest rate on the 17-year Notes is based on the current economic conditions in The Bahamas and growth prospects for the country, and a risk premium for fixed rate debt that the Company may be able to obtain on variable rate bank debt. Interest is payable on a quarterly basis.

In determining the offering yield, numerous factors were considered, including but not limited to:

- Expected returns required by investors
- Yield available on investment alternatives
- The stability and growth prospects of the Company
- The ultimate ownership by the Government

### **NOTE AMORTIZATION SCHEDULE**

Interest is compounding. As such, any Interest due but unpaid will be capitalized and added to Principal; thereupon Interest will then be calculated at such higher Principal balance. There are no scheduled principal repayments during the term of the Notes although the Company may elect or be required to make lump sum principal payments, subject to available cash flow and achievement of financial covenants related to the Senior Secured Facilities. Such lump sum payments, if any, will be made on a pari passu basis to all holders of the Notes.

Apart from its ability to elect to make principal repayments, the Company must make principal repayments during the term of the Notes if:

- (a) the Net Cash Proceeds received by the Company as a result of a Casualty Event are not applied within 180 days of receipt to replace or repair the compromised property or to reimburse the Company for the same, provided that the Senior Secured Facilities have been paid in full and all commitments of the senior lenders thereunder have been terminated;
- (b) the Company has made a disposition of property for fair value in an aggregate amount in excess of US\$500,000.00 in any fiscal year and has retained such Net Cash Proceeds in the applicable Net Cash Proceeds Accounts for 180 days without using the same to acquire replacement assets used or useful in the business of the Company, provided that Senior Secured Facilities have been paid in full and all commitments of the senior lenders thereunder have been terminated;
- (c) on an Interest Payment Date, there exists an Available PD Prepayment Amount applicable to such Interest Payment Date.



## General Information

### **GOVERNING LAW**

The Notes offered herein are governed by and construed in accordance with the laws in effect from time to time in The Bahamas (in the case of the Notes denominated in B\$) and New York, USA (in the case of the Notes denominated in US\$).

### **TRANSFERABILITY**

The Notes are transferable by the registered holder hereof or by his duly authorized agent at the offices of the Registrar for the issue appointed from time to time, which for the time being is CIBC Trust Company (Bahamas) Limited, during normal business hours.

### **EVIDENCE OF OWNERSHIP**

The Company will issue one Note in the name of the Participating Debt Note Agent representing the aggregate amount of US\$ Participating Debt Notes subscribed for, and one Note in the name of the Participating Debt Note Agent representing the aggregate amount of B\$ Participating Debt Notes. The Participating Debt Note Agent will maintain a register which will evidence investors' ownership of Notes; no additional certificates will be issued for the Notes. The Paying Agent and Registrar will issue confirmations with respect to the allocations of Notes to investors within 21 days of the Closing Date.

### **OFFERING COSTS**

Expenses of the Offering are estimated to be B\$5,665,009 inclusive of advisory, placement, stamp duty, legal, public relations, Memorandum costs and any other fees directly attributable to this Offering.

## Covenants

The Company covenants and agrees to abide by the affirmative and negative Covenants as set out in sections 10 and Section 11, respectively, in the Participating Debt Note Purchase Agreement

## Advisors to the Private Placement

### **PLACEMENT AGENTS**

Royal Fidelity Merchant Bank & Trust Limited  
51 Frederick Street  
P.O. Box N-4853  
Nassau, The Bahamas  
Telephone: 242-356-9801  
Facsimile: 242-326-3000

CIBC World Markets Corp.  
300 Madison Avenue  
New York, NY 10017, USA

### **ESCROW AGENT**

Royal Fidelity Merchant Bank & Trust Limited  
51 Frederick Street  
P.O. Box N-4853  
Nassau, The Bahamas  
Telephone: 242-356-9801  
Facsimile: 242-326-3000

### **ATTORNEYS TO THE COMPANY (Bahamian Counsel)**

Higgs & Johnson  
Ocean Centre, Montagu Foreshore  
East Bay Street  
P.O. Box N-3247  
Nassau, The Bahamas  
Telephone: 242-502-5200  
Facsimile: 242-402-5250

### **ATTORNEYS TO THE BAHAMAS PLACEMENT AGENT & ESCROW AGENT**

Glinton Sweeting O'Brien  
303 Shirley Street  
P.O. Box N-492  
Nassau, The Bahamas  
Telephone: 242-328-3500  
Facsimile: 242-328-8008

CIBC World Markets Corp. and Royal Fidelity Merchant Bank & Trust Limited ("Royal Fidelity") have been retained as joint Placement Agents. Royal Fidelity is acting as sole active Bahamas Placement Agent for this Private Placement. Royal Fidelity Merchant Bank & Trust Limited has been appointed as Escrow Agent to NAD for this Private Placement. Royal Fidelity and NAD do not represent the holders of Notes issued by the Company and no independent advisor has been retained to represent such Noteholders. CIBC

World Markets Corp. and Royal Fidelity have given and not withdrawn their consent to the issue of this Private Placement Memorandum with the inclusion herein of their names for their role to the Private Placement in the form and context in which it is included.

Royal Fidelity has agreed to act as the Bahamas Placement Agent and secondary market maker on a best efforts basis for the Notes offered herein.

Legal matters concerning this Private Placement have been passed upon by Higgs & Johnson as legal advisors to NAD. However, in providing such legal advice, Higgs & Johnson does not take any responsibility for the financial soundness of NAD or for the correctness of any statements made or opinions expressed herein and assumes no responsibility to third parties for these matters. In regard to this offering of Notes, Higgs & Johnson does not represent, cannot represent and will not be representing investors.

Legal matters concerning this Offering have been passed upon by Glinton Sweeting O'Brien as legal advisors to Royal Fidelity Merchant Bank & Trust Limited in its capacity as Placement Agent. However, in providing such legal advice Glinton Sweeting O'Brien does not take any responsibility for the financial soundness of NAD or for the correctness of any statements made or opinions expressed in this regard. In regard to this offering of Notes, Glinton Sweeting O'Brien does not represent and will not be representing investors.

## Inspection of Documents

Copies of the following documents (including amendments, where applicable) have been attached to the copy of this Memorandum filed with the Securities Commission of The Bahamas and are now available for review at the Placement and Escrow Agent's Head Office, 51 Frederick Street Branch, Nassau, The Bahamas during normal business hours.

- A copy of Companies Act, 1992 (as amended)
- The Company's Memorandum & Articles of Incorporation
- Board of Directors resolutions approving the Private Placement Memorandum and approving refinancing of the Original Participating Debt Notes and the issue of the Notes
- Consent of Royal Fidelity Merchant Bank & Trust Limited
- Original US\$ Participating Debt Note Purchase Agreement dated March 20, 2009
- Original B\$ Participating Debt Note Purchase Agreement dated March 20, 2009
- Participating Debt Note Purchase Agreement (final draft) anticipated to be dated December 31, 2018
- Intercreditor Agreement dated as of March 20, 2009
- Management Agreement dated October 19, 2006
- Lease Agreement dated April 1, 2007
- Transfer Agreement dated April 1, 2007
- Project Management Agreement dated April 1, 2007
- Second-Lien Mortgage by Sub-demise of Lease dated March 30, 2009
- Second-Lien Assignment of Management Agreement dated March 30, 2009
- Second-Lien Assignment of Project Management Agreement dated March 30, 2009
- Second-Lien Assignment of Management Agreement and Chattels Mortgage dated March 30, 2009
- New York Deposit Account Control and Security Agreement (Participating Debt) dated March 30, 2009
- Bahamas Deposit Account Control and Security Agreement (Participating Debt) dated March 30, 2009

## Subscription Procedures

The subscription period shall begin on December 10, 2018 at 9:00 am and will close at 5:00 pm on December 21, 2018.

### TAKE NOTE:

**THE BOARD OF DIRECTORS RESERVES THE RIGHT TO EXTEND OR CANCEL THIS OFFER AT ITS DISCRETION. THE BOARD OF DIRECTORS ALSO RESERVES THE RIGHT TO REJECT OR TO ALLOCATE THE NOTES IN ITS ABSOLUTE DISCRETION, ALTHOUGH IT IS ITS INTENT TO ALLOT THE NOTES ON A FIRST- COME FIRST-SERVED BASIS, MEANING THAT THE NOTES WILL BE ISSUED IN THE AMOUNTS REQUESTED, IN THE ORDER SUBSCRIPTIONS ARE RECEIVED. THE BOARD OF DIRECTORS RESERVES THE RIGHT TO ACCEPT SUBSCRIPTIONS IN SUCH AMOUNTS AS THEY SEE FIT NOTWITHSTANDING THAT A SUBSCRIPTION MAY BE BELOW THE MINIMUM SUBSCRIPTION SIZE OR MAY BE ABOVE THE MINIMUM SUBSCRIPTION SIZE BUT IS NOT IN AN INCREMENT OF USD\$/B\$ 10,000. IN THE EVENT THAT THE NOTES ARE OVERSUBSCRIBED, THE ALLOCATIONS WILL BE DETERMINED AT THE DISCRETION OF THE BOARD OF DIRECTORS.**

**IF THIS PRIVATE PLACEMENT IS LESS THAN FULLY SUBSCRIBED BY THE CLOSING DATE, THE BOARD OF DIRECTORS FURTHER RESERVES THE RIGHT TO REFUND ANY SUBSCRIPTIONS RECEIVED, PROCEED WITH THE ISSUE OF THE NOTES OR EXTEND THE OFFERING PERIOD FOR ADDITIONAL SUBSCRIPTIONS UNTIL THE ISSUE IS FULLY SUBSCRIBED, OR TERMINATE THE OFFER. FURTHERMORE, THE BOARD OF DIRECTORS MAY, IN ITS ABSOLUTE DISCRETION AND SUBJECT TO ANY OTHER CONDITIONS IN THIS MEMORANDUM, ISSUE THE NOTES IN RESPECT OF TOTAL SUBSCRIPTIONS LESS THAN THE AGGREGATE AMOUNT OF THE OFFERING. ANY SUBSCRIPTIONS ACCEPTED BY THE BOARD OF DIRECTORS AFTER THE CLOSING DATE SHALL BE ENTITLED TO THE RIGHTS AND PRIVILEGES AS DETAILED IN THE PRIVATE PLACEMENT MEMORANDUM, AND AS EVIDENCED BY THE ISSUANCE OF THE CONFIRMATION OF ALL PARTICULARS.**

**ANY SUBSCRIPTIONS THAT ARE NOT ALLOCATED WILL BE REFUNDED WITHOUT INTEREST.**

### ANTI MONEY LAUNDERING PROCEDURES

Measures aimed towards the prevention of money laundering and applicable “know your customer” legislation require that an applicant verify his/her identity to Royal Fidelity Merchant Bank & Trust Limited (the “Placement Agent”). This is in pursuance of Bahamian legislation, mainly, the Proceeds of Crime Act, 2018 (“PCA”), the Financial Transactions Reporting Act, 2018 (“FTRA”) and the Financial Transactions Reporting (Amendment) Regulations, 2018 (“FTRAR”). Pursuant to the FTRA financial institutions are obliged to verify the identity of existing and prospective clients.

In addition, the Placement Agent may request further information and documents before processing the application. Failure to supply such information as requested by the Placement Agent prior to the closing of the subscription period will render such application void and result in the return of the funds which accompanied such application.

Without limiting the foregoing, pursuant to the FTRAR, an individual may be required to produce a copy of the first four pages of his passport (and additional pages, if relevant, national identity card, or such other identification document bearing a photographic likeness of the individual as is reasonably capable of establishing the identity of the individual and evidence of his address such as a copy of a recent utility bill or company statement. Each partner or beneficial owner of an unincorporated business must complete as individuals, and supply the documents requested for individuals. Additionally, a copy of the partnership agreement or other agreement establishing the unincorporated business and authorized signatory listing will be required. Corporate applicants may be required to submit a certified copy of the certificate of incorporation (and any certificate of change of name), certified copy of memorandum and articles of association, certificate of good standing from the Registrar of companies, the authorized signatory listing and the names and addresses of all officers, directors and beneficial owners, and such other official documentary and other information as is reasonably capable of establishing information on the corporate applicant's ownership and control structure.

The FTRAR prescribes particular requirements for trusts and other legal arrangements to which applicants should refer, if relevant.

Depending on the circumstances of each application, a detailed verification may not be required if:

- The applicant makes the payment from an account held in the applicant's name at a recognized financial institution; or
- The application is made through an eligible introducer as per the Financial Transactions Reporting Act, 2018.

It is further acknowledged that the Placement Agent shall be held harmless and indemnified by the applicant against any loss arising as a result of a failure to process the application if such documentation is required by the Placement Agent and has not been provided by the applicant to the Placement Agent's satisfaction.

CONTROL #: \_\_\_\_\_

## SUBSCRIPTION FORM FOR INDIVIDUAL APPLICANT(S)

### Nassau Airport Development Company Limited

#### 7.50% 17 year Participating Debt Notes

Completed Applications for a minimum of B\$50,000 (Fifty Thousand dollars) will be accepted from **9 am December 10, 2018 until 5.00 p.m. on December 21, 2018** or until the Offer is terminated. Full payment for the amount subscribed must accompany this application. All cheques, bank drafts or postal orders must be made payable to **ROYAL FIDELITY MERCHANT BANK & TRUST LIMITED. CASH WILL NOT BE ACCEPTED.**

AMOUNT OF NOTES REQUESTED: B\$ \_\_\_\_\_ (in multiples of B\$10,000.00)

SURNAME: \_\_\_\_\_

FIRST NAME(S): \_\_\_\_\_

Bahamian Citizen \_\_\_\_\_ Permanent Resident with unrestricted right to work in The Bahamas  
\_\_\_\_\_

Permanent Resident with restricted right to work in The Bahamas \_\_\_\_\_

Temporary Resident with Bahamas work permit \_\_\_\_\_

Central Bank Approved Investor \_\_\_\_\_

National Insurance #: \_\_\_\_\_

*And if applicable, Co-Owner:*

SURNAME: \_\_\_\_\_

FIRST NAME(S): \_\_\_\_\_

Bahamian Citizen \_\_\_\_\_ Permanent Resident with unrestricted right to work in The Bahamas  
\_\_\_\_\_

Permanent Resident with restricted right to work in The Bahamas \_\_\_\_\_

Temporary Resident with Bahamas work permit \_\_\_\_\_ Central Bank Approved  
Investor \_\_\_\_\_

National Insurance #: \_\_\_\_\_

Please register joint accounts as \_\_\_\_\_ Joint tenants with rights of survivorship OR \_\_\_\_\_ Tenants in  
Common (Joint tenants with rights of survivorship will be used if no indication is made)



\_\_\_\_\_ ENCLOSED IS A CHEQUE IN THE AMOUNT OF B\$ \_\_\_\_\_

(Maximum cheque amount accepted is B\$200,000)

\_\_\_\_\_ I/WE WILL BE WIRING FUNDS IN THE AMOUNT OF B\$ \_\_\_\_\_

**PLEASE PRINT THE FOLLOWING INFORMATION (For main applicant)**

P. O. Box \_\_\_\_\_

Permanent Street Address: \_\_\_\_\_

Town \_\_\_\_\_ Island \_\_\_\_\_

Telephone Number: Work \_\_\_\_\_ Home \_\_\_\_\_

Email: \_\_\_\_\_

**INTERESTS PAYMENTS TO BE SENT TO THE ABOVE ADDRESS OR:**

Bank: \_\_\_\_\_ Branch: \_\_\_\_\_

Account Number: \_\_\_\_\_

DECLARATION: The Applicant(s), by signing this application, acknowledges receipt of the PRIVATE PLACEMENT MEMORANDUM dated December 10, 2018 and declares that the Applicant(s) is an Eligible Investor(s) as defined in the Private Placement Memorandum.

Signature \_\_\_\_\_ Signature of Joint applicant \_\_\_\_\_

To comply with the Financial Transactions Reporting Act, 2018 (FTRA), Royal Fidelity Merchant Bank & Trust Limited may request additional information from applicants.

The completed Application and remittance must be received by 5.00 p.m. on December 21, 2018 at any of the following offices:

**Royal Fidelity Merchant Bank & Trust Limited  
51 Frederick Street  
P. O. Box N-4853  
Nassau, Bahamas**

**THE SUBSCRIBER(S), BY SIGNING THIS APPLICATION, AGREE(S) TO THE TERMS AND CONDITIONS CONTAINED IN THE PRIVATE PLACEMENT MEMORANDUM DATED December 10, 2018.**

**THIS OFFER EXPIRES December 21, 2018, 5:00 p.m.**

**If wiring funds to Royal Fidelity, please see the two options below:**

**FirstCaribbean International Bank**

**Main Branch**

**Transit: 09706**

**Swift Code: FCIBBSNS**

**B\$ account#: 101012566**

**Royal Fidelity Merchant Bank & Trust Limited**

**Please indicate Subscriber Name & reference that is it the 'NAD Note Subscription'**

**Fidelity Bank Bahamas**

**Swift: BTAMBSNS**

**Address: Frederick Street**

**Transit: 00701**

**Account #: 10100750**

**Account Name: Royal Fidelity Merchant Bank & Trust**

**Please indicate Subscriber Name & reference that is it the 'NAD Note Subscription'**

CONTROL #: \_\_\_\_\_

**SUBSCRIPTION FORM FOR USE BY A BODY CORPORATE,  
PARTNERSHIP, TRUST OR FUND**

**Nassau Airport Development Company Limited**

**7.50% 17 year Participating Debt Notes**

Completed Applications for a minimum of B\$50,000 dollars (Fifty Thousand) will be accepted from **9 am December 10, 2018 until 5.00 p.m. on December 21, 2018** or until the Offering is terminated. Full payment for the amount subscribed must accompany this application. All cheques, bank drafts or postal orders must be made payable to **ROYAL FIDELITY MERCHANT BANK & TRUST LIMITED. CASH WILL NOT BE ACCEPTED.**

AMOUNT OF NOTES REQUESTED: B\$ \_\_\_\_\_ (in multiples of B\$10,000.00)

ENTITY NAME: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

**PLEASE PRINT THE FOLLOWING INFORMATION**

P. O. Box: \_\_\_\_\_

Permanent Street Address: \_\_\_\_\_

Town: \_\_\_\_\_ Island: \_\_\_\_\_

Telephone Number: Work: \_\_\_\_\_

Home: \_\_\_\_\_

Contact Email \_\_\_\_\_

\_\_\_\_\_  
**ENCLOSED IS A CHEQUE IN THE AMOUNT OF B\$ \_\_\_\_\_**  
**(Maximum cheque amount accepted is B\$200,000)**

\_\_\_\_\_  
**I/WE WILL BE WIRING FUNDS IN THE AMOUNT OF B\$ \_\_\_\_\_**

**INTERESTS PAYMENTS TO BE SENT TO THE ABOVE ADDRESS OR:**

Bank: \_\_\_\_\_ Branch: \_\_\_\_\_

Account Number: \_\_\_\_\_

DECLARATION: The Applicant by signing this application, acknowledges receipt of the PRIVATE PLACEMENT MEMORANDUM dated December 10, 2018 and declares that the Applicant is an Eligible Investor as defined in the Private Placement Memorandum.

Authorized Signature – Title \_\_\_\_\_

Under Seal

Authorized Signature – Title \_\_\_\_\_

Under Seal

To comply with the Financial Transactions Reporting Act, 2018 (FTRA), Royal Fidelity Merchant Bank & Trust Limited may request additional information from applicants.

The completed application and remittance must be received by 5.00 p.m. on December 21, 2018 at any of the following offices:

**Royal Fidelity Merchant Bank & Trust Limited**  
51 Frederick Street  
P. O. Box N-4853  
Nassau, Bahamas

**THE SUBSCRIBER(S), BY SIGNING THIS APPLICATION, AGREE(S) TO THE TERMS AND CONDITIONS CONTAINED IN THE PRIVATE PLACEMENT MEMORANDUM DATED December 10, 2018**

**THIS OFFER EXPIRES December 21, 2018 at 5:00 p.m.**

**If wiring funds to Royal Fidelity, please see the two options below:**

**FirstCaribbean International Bank**

**Main Branch**

**Transit: 09706**

**Swift Code: FCIBBSNS**

**B\$ account#: 101012566**

**Royal Fidelity Merchant Bank & Trust Limited**

**Please indicate Subscriber Name & reference that is it the 'NAD Note Subscription'**

**Fidelity Bank Bahamas**

**Swift: BTAMBSNS**

**Address: Frederick Street**

**Transit: 00701**

**Account #: 10100750**

**Account Name: Royal Fidelity Merchant Bank & Trust**

**Please indicate Subscriber Name & reference that is it the 'NAD Note Subscription'**

**FORM OF AFFIDAVIT OF ACCREDITED INVESTOR**

We, \_\_\_\_\_ [name of entity], do hereby attest that we are an accredited investor as the same is defined in the Securities Industry Regulations, 2012.

We further confirm that we have been made aware of and agree to the restrictions on resale which inure in respect to the US\$ / B\$ 139,100,000 17 Year Participating Debt Notes issued by the Nassau Airport Development Company pursuant to Regulation 109 of the Securities Industry Regulations, 2012.

Dated this \_\_\_\_ day of December, 2018.

\_\_\_\_\_  
[NAME OF ACCREDITED INVESTOR]

\_\_\_\_\_  
By:  
Its:

Subscribed and sworn to before me by \_\_\_\_\_,  
the [title] of [name of entity], this \_\_\_\_ day of December,  
2018.

\_\_\_\_\_  
Notary Public

## APPENDIX I

### **Audited Financial Statements as at June 30, 2018**

(Include audited financial statements)

## APPENDIX II

### Unaudited Financial Projections for the fiscal years 2019 to 2037

(in US\$ millions)

Fiscal Year Ending June 30	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Passenger Traffic	3.5	3.8	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.4	4.5	4.6	4.7	4.7	4.8	4.9	5.0	5.1	5.1	3.8
Domestic PFC Rate	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
International PFC Rate	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Passenger Processing Fee	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Passenger Traffic	3.5	3.8	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.4	4.5	4.6	4.7	4.7	4.8	4.9	5.0	5.1	5.1	3.8
Passenger Fees - Domestic	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Passenger Fees - International	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	38.00
Landing Fees	\$7.1	\$7.3	\$7.5	\$7.7	\$7.9	\$8.1	\$8.3	\$8.5	\$8.8	\$9.0	\$9.2	\$9.4	\$9.7	\$9.9	\$10.2	\$10.4	\$10.7	\$11.0	\$11.2	\$8.3
Terminal Fees	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.9	1.9	1.5
Aircraft Parking	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Loading Bridges	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.6
Passenger Fees including the PFC	63.9	74.9	77.0	78.9	80.3	81.7	83.1	84.6	86.1	87.6	89.1	90.6	92.2	93.8	95.4	97.0	98.7	100.4	102.1	76.0
Non-Aeronautical Revenue	16.5	17.1	18.1	18.6	19.1	19.7	20.2	20.7	21.3	21.9	22.4	23.0	23.7	24.3	25.0	25.7	26.4	27.1	27.9	21.4
<b>Total Revenue</b>	<b>89.4</b>	<b>101.2</b>	<b>104.4</b>	<b>107.2</b>	<b>109.4</b>	<b>111.6</b>	<b>113.8</b>	<b>116.1</b>	<b>118.4</b>	<b>120.7</b>	<b>123.1</b>	<b>125.6</b>	<b>128.0</b>	<b>130.6</b>	<b>133.2</b>	<b>135.8</b>	<b>138.5</b>	<b>141.3</b>	<b>144.2</b>	<b>108.0</b>
Salaries, Wages & Benefits	8.6	9.6	10.1	10.4	10.7	11.1	11.4	11.7	12.1	12.5	12.8	13.2	13.6	14.0	14.4	14.9	15.3	15.8	16.3	12.5
Materials, Supplies & Services	15.6	18.0	18.7	19.2	19.6	20.0	20.4	20.9	21.3	21.7	22.2	22.7	23.1	23.6	24.2	24.7	25.3	25.9	26.5	19.7
Business License Fees	1.1	1.2	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.3
<b>Total Costs</b>	<b>25.3</b>	<b>28.9</b>	<b>30.1</b>	<b>31.0</b>	<b>31.7</b>	<b>32.5</b>	<b>33.3</b>	<b>34.1</b>	<b>34.9</b>	<b>35.7</b>	<b>36.6</b>	<b>37.4</b>	<b>38.3</b>	<b>39.3</b>	<b>40.3</b>	<b>41.3</b>	<b>42.3</b>	<b>43.4</b>	<b>44.5</b>	<b>33.5</b>
<b>EBITDA</b>	<b>64.1</b>	<b>72.3</b>	<b>74.3</b>	<b>76.3</b>	<b>77.7</b>	<b>79.1</b>	<b>80.5</b>	<b>82.0</b>	<b>83.5</b>	<b>85.0</b>	<b>86.5</b>	<b>88.1</b>	<b>89.7</b>	<b>91.3</b>	<b>92.9</b>	<b>94.6</b>	<b>96.2</b>	<b>97.9</b>	<b>99.6</b>	<b>74.4</b>
Less Change in Working Capital	(5.8)	(1.8)	(1.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	18.5
<b>Cash Available for Debt Service</b>	<b>58.3</b>	<b>70.5</b>	<b>73.2</b>	<b>76.0</b>	<b>77.5</b>	<b>78.9</b>	<b>80.4</b>	<b>81.8</b>	<b>83.3</b>	<b>84.8</b>	<b>86.4</b>	<b>87.9</b>	<b>89.5</b>	<b>91.1</b>	<b>92.7</b>	<b>94.3</b>	<b>96.0</b>	<b>97.7</b>	<b>99.4</b>	<b>92.9</b>
Less Maintenance Capex	(0.8)	(22.7)	(25.8)	(11.2)	(6.1)	(5.0)	(45.4)	(15.3)	(18.3)	(21.1)	(62.9)	(5.8)	(19.0)	(41.9)	(36.0)	(26.1)	(14.5)	(59.5)	(109.8)	(2.8)
<b>Free Cash Flow</b>	<b>57.4</b>	<b>47.8</b>	<b>47.4</b>	<b>64.8</b>	<b>71.5</b>	<b>73.9</b>	<b>35.0</b>	<b>66.5</b>	<b>65.1</b>	<b>63.7</b>	<b>23.4</b>	<b>82.1</b>	<b>70.5</b>	<b>49.1</b>	<b>56.7</b>	<b>68.2</b>	<b>81.6</b>	<b>38.1</b>	<b>(10.3)</b>	<b>90.1</b>
Plus LT & PD Debt Financing Proceeds	-	5.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Interest & Fees	(27.5)	(26.6)	(25.5)	(24.3)	(22.8)	(21.2)	(19.5)	(17.8)	(16.0)	(14.2)	(12.5)	(10.7)	(8.9)	(7.0)	(5.1)	(3.4)	(1.6)	(0.5)	-	-
Less Principal Repayment	(11.7)	(14.6)	(16.8)	(20.1)	(22.8)	(24.0)	(25.9)	(25.9)	(25.9)	(25.9)	(26.0)	(26.1)	(26.6)	(27.3)	(27.2)	(26.3)	(21.5)	(13.4)	-	-
Less Other Financing Fees	(0.6)	(3.8)	(1.9)	(0.7)	(0.4)	(0.6)	0.5	0.5	0.5	0.5	0.4	0.5	0.0	(0.0)	1.6	(0.1)	6.0	7.9	-	-
<b>FCF after Senior Debt Service</b>	<b>17.7</b>	<b>8.5</b>	<b>3.1</b>	<b>19.7</b>	<b>25.4</b>	<b>28.0</b>	<b>(9.9)</b>	<b>23.4</b>	<b>23.7</b>	<b>24.1</b>	<b>(14.6)</b>	<b>45.9</b>	<b>35.0</b>	<b>14.8</b>	<b>25.9</b>	<b>38.4</b>	<b>64.4</b>	<b>32.2</b>	<b>(10.3)</b>	<b>90.1</b>
Less Funding of Unrestricted Cash Requirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Cash Interest to Subordinated Debt	(0.6)	(5.4)	(9.1)	(8.5)	(7.2)	(6.0)	(5.9)	(5.4)	(3.9)	(3.0)	(3.0)	(1.6)	-	-	-	-	-	-	-	-
Less Cash Sweep to Subordinated Debt	-	-	(23.6)	(12.3)	(18.4)	(6.4)	-	(18.0)	(20.0)	-	-	(40.3)	-	-	-	-	-	-	-	-
<b>Cash Flow pre draws from Cash Account</b>	<b>17.1</b>	<b>3.1</b>	<b>(29.6)</b>	<b>(1.2)</b>	<b>(0.2)</b>	<b>15.6</b>	<b>(15.8)</b>	<b>0.0</b>	<b>(0.3)</b>	<b>21.1</b>	<b>(17.6)</b>	<b>4.0</b>	<b>35.0</b>	<b>14.8</b>	<b>25.9</b>	<b>38.4</b>	<b>64.4</b>	<b>32.2</b>	<b>(10.3)</b>	<b>90.1</b>
Draws from Cash Account	-	-	29.6	1.2	0.2	-	15.8	-	0.3	-	17.6	-	-	-	-	-	-	-	10.3	-
Deposits into Cash Account	(17.1)	(3.1)	-	-	-	(15.6)	-	(0.0)	-	(21.1)	-	(4.0)	(35.0)	(14.8)	(25.9)	(38.4)	(64.4)	(32.2)	-	(90.1)
<b>Excess Cash Flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash Balance	35.0	38.1	8.5	7.4	7.2	22.8	7.0	7.0	6.8	27.9	10.2	14.3	49.3	64.0	90.0	128.4	192.9	225.1	214.7	304.8

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**NASSAU AIRPORT DEVELOPMENT COMPANY LIMITED**

US\$[●]  
[●]% PARTICIPATING DEBT NOTES DUE [December 31, 2035]

B\$[●]  
[●]% PARTICIPATING DEBT NOTES DUE [December 31, 2035]

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**PARTICIPATING DEBT NOTE PURCHASE AGREEMENT**

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Dated [●], 2018

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Schedule 11.6	Existing Debt

EXHIBITS:

Exhibit 1	Form of US\$ Participating Debt Note Due 20[35]
Exhibit 2	Form of B\$ Participating Debt Note Due 20[35]
Exhibit 3	Form of Opinion of Company's New York Counsel
Exhibit 4	Form of Opinion of Company's Bahamas Counsel
Exhibit 5	Form of Consent Agreement
Exhibit 6	Form of Transfer Notice

## NASSAU AIRPORT DEVELOPMENT COMPANY LIMITED

[●]% US\$ Participating Debt Notes Due [December 31, 2035]

[●]% B\$ Participating Debt Notes Due [December 31, 2035]

[●], 2018

TO EACH OF THE PURCHASERS LISTED  
IN SCHEDULE A HERETO:

Ladies and Gentlemen:

Nassau Airport Development Company Limited, a company incorporated in the Commonwealth of The Bahamas (the “Company”), agrees with each of the Purchasers, CIBC Trust Company (Bahamas) Limited, as Participating Debt Note Agent (in such capacity, the “Participating Debt Note Agent”), CIBC Trust Company (Bahamas) Limited, as Onshore Subordinated Collateral Agent (in such capacity, the “Onshore Subordinated Collateral Agent”) and Citibank, N.A., as Offshore Subordinated Collateral Agent (in such capacity, the “Offshore Subordinated Collateral Agent”) as follows:

### RECITALS

WHEREAS in order to finance, in part, the design, construction and commissioning of the certain terminal facilities at the Lynden Pindling International Airport in Nassau, The Bahamas, the Company (a) issued participating debt notes due March 29, 2034 in an original aggregate principal amount equal to US\$60,000,000 and with an aggregate principal amount of US\$[●] currently outstanding (the “Existing US\$ Participating Debt Notes”), pursuant to a Participating Debt Note Purchase Agreement dated as of March 20, 2009 (as amended by Amendment No. 1 dated as of May 21, 2009 and Amendment No. 2 dated as of October 5, 2011, the “Existing US\$ Participating Debt NPA”), and (b) issued participating debt notes due March 29, 2034 in an original aggregate principal amount equal to B\$10,000,000 and with an aggregate principal amount of B\$[●] currently outstanding (the “Existing B\$ Participating Debt Notes”, and, together with the Existing US\$ Participating Debt Notes, the “Existing Participating Debt Notes”), pursuant to a Participating Debt Note Purchase Agreement dated as of March 20, 2009 (as amended by Amendment No. 1 dated as of May 21, 2009 and Amendment No. 2 dated as of [●], 2018<sup>1</sup> (the “Amendment No. 2 to the Existing B\$ Participating Debt NPA”), the “Existing B\$ Participating Debt NPA”, and, together with the Existing US\$ Participating Debt NPA, the “Existing Participating Debt NPAs”), and (c) entered into a Participating Debt Common Terms Agreement dated as of March 20, 2009 (as amended by Amendment No. 1 dated as of October 5, 2011, the “Participating Debt Common Terms Agreement”) among the Company, the purchasers of the Existing Participating Debt Notes, the Participating Debt Note Agent, Citibank, N.A, as

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<sup>1</sup> NTD: This is the new amendment to change the governing law from Bahamas to New York.

Offshore Subordinated Collateral Agent and CIBC Trust Company (Bahamas) Limited, as Onshore Subordinated Collateral Agent (and together with the Offshore Subordinated Collateral Agent, the “Subordinated Collateral Agents”) which contains certain representations, covenants and undertakings for the common benefit of the holders of the Existing Participating Debt Notes from time to time.

WHEREAS the Company and holders of certain Existing Participating Debt Notes (the “Continuing Purchasers”) wish to amend and restate in its entirety the Participating Debt Common Terms Agreement, the Existing Participating Debt NPAs and the Existing Participating Debt Notes of each Continuing Purchaser.

WHEREAS each investor specified as “New Purchaser” on Schedule A hereto (each, a “New Purchaser”) wishes to purchase Participating Debt Notes in the aggregate principal amount specified opposite such New Purchaser’s name on Schedule A hereto, in accordance with the terms and conditions set forth in this Agreement.

WHEREAS the Company wishes to issue a single US\$-denominated participating debt note in the name of the Participating Debt Note Agent and a single B\$-denominated participating debt note in the name of the Participating Debt Note Agent to be held by it for and on behalf of the Continuing Purchasers and the New Purchasers, the beneficial ownership whereof to be evidenced in a register maintained by the Participating Debt Note Agent.

NOW, THEREFORE, in consideration of the premises and mutual agreements hereinafter contained, the parties hereto agree as follows:

#### SECTION 1. AUTHORIZATION OF NOTES.Authorization of US\$

Participating Debt Notes. The Company will authorize the issue and sale of US\$[●] aggregate principal amount of its US\$ Participating Debt Notes due [December 31, 2035] (the “US\$ Participating Debt Notes,” such term to include any such notes issued in substitution therefor pursuant to Section 14.3). The US\$ Participating Debt Notes shall be substantially in the form set forth in Exhibit 1 , with such changes therefrom, if any, as may be approved by each US\$ Purchaser and the Company.

1.2 Authorization of B\$ Participating Debt Notes. The Company will authorize the issue and sale of B\$[●] aggregate principal amount of its B\$ Participating Debt Notes due [December 31, 2035] (the “B\$ Participating Debt Notes,” such term to include any such notes issued in substitution therefor pursuant to Section 14.3). The B\$ Participating Debt Notes shall be substantially in the form set forth in Exhibit 2, with such changes therefrom, if any, as may be approved by each B\$ Purchaser and the Company.

1.3 References. The term “Participating Debt Notes” as used herein shall include each of the US\$ Participating Debt Notes and B\$ Participating Debt Notes. The US\$ Participating Debt Notes and B\$ Participating Debt Notes shall rank *pari passu* with one another.

1.4 Definitions and Principles of Interpretation. Capitalized terms used in this agreement (as amended, this “Agreement”) are defined in Part 1 of Schedule B to this Agreement



and the rules of interpretation with respect to this Agreement are set forth in Part 2 of Schedule B to this Agreement.

## SECTION 2. SALE AND PURCHASE OF PARTICIPATING DEBT NOTES.

2.1 Closing. Subject to the terms and conditions of this Agreement, the Company, the Purchasers and the Participating Debt Note Agent agree that at the Closing provided for in Section 3.1:

(a) this Agreement shall amend and restate in full the Participating Debt Common Terms Agreement and the Existing Participating Debt NPAs;

(b) the Company will issue a single B\$ Participating Debt Note and a single US\$ Participating Debt Note, each to the Participating Debt Note Agent, to be held by the Participating Debt Note Agent for and on behalf of each Purchaser;

(c) the single US\$ Participating Debt Note to the Participating Debt Note Agent to be held for and on behalf of each Purchaser amends and restates in full the Existing US\$ Participating Debt Notes of each Continuing Purchaser, and each Continuing Purchaser shall have a beneficial interest in such US\$ Participating Debt Note in the principal amount equal to the aggregate principal amount of the Existing US\$ Participating Debt Notes of such Continuing Purchaser;

(d) the single B\$ Participating Debt Note to the Participating Debt Note Agent to be held for and on behalf of each Purchaser amends and restates in full the Existing B\$ Participating Debt Notes of each Continuing Purchaser, and each Continuing Purchaser shall have a beneficial interest in such B\$ Participating Debt Note in the principal amount equal to the aggregate principal amount of the Existing B\$ Participating Debt Notes of such Continuing Purchaser; and

(e) each New Purchaser will purchase from the Company a beneficial interest in each of the B\$ Participating Debt Note and the US\$ Participating Debt Note issued by the Company to the Participating Debt Note Agent for and on behalf of each Purchaser, in the principal amount equal to the amount specified opposite such Purchaser's name in Schedule A at a purchase price of 100% of the principal amount thereto.

2.2 Several Obligations. The Purchasers' obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any other Purchaser for the performance or non-performance of any obligation by any other Purchaser hereunder.

## SECTION 3. CLOSING.

3.1 Closing. The amendment and restatement of the Existing Participating Debt Notes of each Continuing Purchaser with beneficial interests in the Participating Debt Notes, and the sale and purchase of beneficial interests in the Participating Debt Notes to be purchased by each New Purchaser, shall each occur, (a) at the offices of Shearman & Sterling

LLP, 599 Lexington Avenue, New York, New York 10022 and (b) at the offices of [Glinton Sweeting O'Brien, 303 Shirley Street, Nassau, The Bahamas], in each case, at 10:00 a.m. (New York City time), at a closing (the "Closing") on December 31, 2018 (the "Closing Date") [or on such other Business Day thereafter on or prior to [●], 20[●] as may be agreed upon by the Company and the Purchasers].

3.2 Mechanics. At the Closing the Company will:

(a) deliver the Participating Debt Notes referred to in Section 2.1(b) herein to the Participating Debt Note Agent; and

(b) exchange all Existing US\$ Participating Debt Notes of each Continuing Purchaser for a beneficial interest in the single US\$ Participating Debt Note to the Participating Debt Note Agent to be held for and on behalf of each Purchaser and exchange all Existing B\$ Participating Debt Notes of each Continuing Purchaser for a beneficial interest in the single B\$ Participating Debt Note to the Participating Debt Note Agent to be held for and on behalf of each Purchaser, in each case registered in such Continuing Purchaser's name (or in the name of its nominee) in the register maintained by the Participating Debt Note Agent pursuant to Section 14.1 below in the amount equal to the aggregate principal amount of such Existing US\$ Participating Debt Notes or Existing B\$ Participating Debt Notes, as applicable.

The beneficial interest of each New Purchaser shall be registered in the register maintained by the Participating Debt Note Agent pursuant to Section 14.1 below in the aggregate principal amount specified opposite such New Purchaser's name on Schedule A hereto, against delivery by such New Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds to, (i) in the case of US\$ Participating Debt Note, to account number [●] at [●] or (ii) in the case of B\$ Participating Debt Note, to account number [●] at [●].

If at the Closing the Company shall fail to tender such Participating Debt Notes to the Participating Debt Note Agent on behalf of any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction or waived by such Purchaser, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure by the Company to tender such Participating Debt Notes or any of the conditions specified in Section 4 not having been fulfilled to such Purchaser's satisfaction.

3.3 Waiver of Certain Conditions to Prepayment. Each Continuing Purchaser hereby unconditionally and irrevocably waives:

(a) Section 7.8 of each Existing Participating Debt NPA to which it is a party, with respect to the prepayment of the Non-Continuing Participating Debt Notes on the Closing Date, and acknowledges and agrees that no holder of a Non-Continuing Participating Debt Note shall be required to share any payments received by such holder in respect of the principal and accrued interest thereon paid to such holder on the Closing Date; and

(b) Section 7.4(a)(ii) of the Existing US\$ Participating Debt NPA and Section 7.4(ii) of the Existing B\$ Participating Debt NPA, as the case may be, requiring that any partial prepayment of the Existing Participating Debt Notes be in an aggregate principal amount of at least US\$5,000,000 (or an integral multiple of US\$500,000 in excess thereof) or the equivalent thereof in Bahamian Dollars, as applicable.

#### SECTION 4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to exchange its Existing Participating Debt Notes or to purchase and pay for an interest in the Participating Debt Notes to be issued to the Participating Debt Note Agent on behalf of all Purchasers, as the case may be, on the Closing Date is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

4.1 Representations and Warranties. The representations and warranties of the Company in this Agreement shall be correct when made and at the Closing.

4.2 Performance; No Default. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing. Before and after giving effect to the issue and sale of the Participating Debt Notes (and the application of the proceeds thereof as contemplated by Section 9.1), no Default or Event of Default shall have occurred and be continuing.

4.3 Participating Debt Documents. Each Purchaser (or in the case of clause (b) below the Participating Debt Note Agent), shall have received on or before the Closing Date the following, in form and substance satisfactory to such Purchaser:

(a) Counterparts of this Agreement, dated as of the Closing Date, duly executed and delivered by each of the parties hereto.

(b) Participating Debt Notes payable to the order of the Participating Debt Note Agent pursuant to Section 3.2 of this Agreement.

(c) Certified copies of the following documents (collectively, the "Refinancing Amendments"):

(i) the Amendment No. 2 to the Existing B\$ Participating Debt NPA, duly executed and delivered by each of the parties thereto;

(ii) the Amendment No. 1 to the Assignment of Management Agreement (PD), duly executed and delivered by each of the parties thereto;

(iii) the Amendment No. 1 to the Mortgage by Sub-demise of Lease (PD), duly executed and delivered by each of the parties thereto;

(iv) the Amendment No. 1 to the Mortgage of Assets under the Transfer Agreement (PD), duly executed and delivered by each of the parties thereto;

(v) the Amendment No. 1 to the Bahamas Deposit Account Control and Security Agreement (PD), duly executed and delivered by each of the parties thereto; and

(vi) the Amendment No. 1 to the New York Deposit Account Control and Security Agreement (PD), duly executed and delivered by each of the parties thereto.

(d) Certified copies of the other Participating Debt Documents duly executed and delivered by each of the parties thereto.

4.4 Compliance Certificates. Each Purchaser shall have received on or before the Closing Date:

(a) An Officer's Certificate of the Company, dated as of the Closing Date, certifying copies of (i) the resolutions of the Board of Directors of the Company approving this Agreement and each Participating Debt Note, (ii) the Charter Documents of the Company as in effect on the date the resolutions specified in clause (i) were adopted and, if there have been any changes thereto since the date of the resolutions, on the Closing Date, and (iii) all documents evidencing other necessary corporate and shareholder action and Governmental Approvals, if any, with respect to this Agreement and each Participating Debt Note.

(b) An Officer's Certificate of the Company, dated as of the Closing Date, certifying (i) the absence of any change or amendment to the Charter Documents of the Company since the date the resolutions specified in clause (a)(i) above were adopted, and (ii) the names and true signatures of the officers of the Company authorized to sign this Agreement and each Participating Debt Note and the other documents to be delivered thereunder.

4.5 Opinions of Counsel. Such Purchaser shall have received the following opinions:

(a) An opinion of Morrison & Foerster LLP, New York counsel for the Company, in the form attached as Exhibit 3.

(b) An opinion of Higgs & Johnson, Bahamas counsel for the Company in the form attached as Exhibit 4.

(c) Opinions of (i) Glinton Sweeting O'Brien and (ii) Shearman & Sterling LLP, New York, each in form and substance satisfactory to the Purchasers.

4.6 Purchase Permitted by Applicable Law, Etc. On the Closing Date such Purchaser's exchange for, or purchase of, interests in the Participating Debt Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law)

permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate of the Company certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.7 Sale of Other Notes. Contemporaneously with the Closing, the Company shall exchange or sell to each other Purchaser and each other Purchaser shall exchange for, or purchase, interests in the Participating Debt Notes to be as specified in Schedule A hereto.

4.8 Payment of Special Counsel Fees. Without limiting Section 16.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.5(c) and each Agent's counsel, to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.9 [Private Placement Number. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for the Participating Debt Notes.]

4.10 Financial Statements. Each Purchaser shall have received audited consolidated financial statements of the Company and its Subsidiaries (if any) for the fiscal year ended June 30, 2018 and unaudited financial statements for the Company's fiscal quarter ended September 30, 2018 (the "Historical Financial Statements") (which financial statements shall be prepared in accordance with IFRS) and shall be certified by the Chief Financial Officer of the Company that (a) they fairly present, in all material respects, the financial condition of the Company as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject, in the case of such unaudited financial statements, to changes resulting from customary year end audit adjustments and (b) since June 30, 2018, no Material Adverse Effect shall have occurred and be continuing.

4.11 Material Project Contracts. Certified copies of each of the Material Project Contracts, together with an Officer's Certificate of the Company dated as of the Closing Date certifying that (a) no default thereunder by the Company has occurred and is continuing, and (b) to his or her knowledge after due inquiry, no default has occurred and is continuing thereunder resulting from actions or inactions by the Material Project Parties, in each case, under such Material Project Contracts.

4.12 Acceptance of Appointment to Receive Service. Such Purchaser shall have received evidence of the acceptance by the Process Agent of the appointment and designation provided for by Section 25.6(e) for the period from the date of the Closing to 1 year after maturity of Participating Debt Notes (and the payment in full of all fees in respect thereof).

4.13 Collateral. Each of the Security Documents shall have been executed by the parties thereto and shall be in full force and effect, and the Company shall have taken all other action (including payment of stamp duty) that the Purchasers may deem reasonably necessary in order to perfect and protect the second priority liens and security interests created under each Security Document.

4.14 Prepayment of Non-Continuing Participating Debt Notes. All Non-Continuing Participating Debt Notes shall be prepaid on the Closing Date upon issuance of the Participating Debt Notes and application of the proceeds thereof.

## SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants as of the Closing Date, as follows, all of which representations and warranties shall survive the execution and delivery of this Agreement and the Participating Debt Notes:

5.1 Organization; Power and Authority. The Company is a company duly organized, validly existing and in good standing under the laws of The Bahamas and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals) to own, lease and operate its properties and to carry on its business as now conducted.

5.2 Due Authorization; Non-Contravention. The execution, delivery and performance by the Company of this Agreement, the Participating Debt Notes and the other Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not (a) contravene any of the Company's Charter Documents, (b) contravene any law or any material contractual restriction or judgment binding on or affecting the Company or (c) except for the Liens created under the Security Documents, result in or require the creation or the imposition of any Liens on any of the Company's assets or properties.

5.3 Accuracy of Information. Neither the Private Placement Memorandum, nor any other information, exhibit or report furnished by or, to the best of the Company's knowledge, on behalf of, the Company to any Purchaser in connection with the negotiation of this Agreement or any other Participating Debt Document or pursuant to the terms of this Agreement, taken as a whole, contained or contains any material misstatement of fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were or are made or furnished, not materially misleading as of the date such information is dated or certified; provided that to the extent any such information, exhibit or report was based upon or constitutes a forecast or projection, the Company represents only that it acted in good faith and utilized reasonable assumptions believed by the Company to be reasonable as of the date of delivery thereof, and the Company used due care in the preparation of such information, exhibit or report.

5.4 Capital Stock and Ownership. As of the Closing Date, the Company has no Subsidiaries. All of the outstanding Capital Stock in the Company have been validly issued,



are fully paid and non-assessable, and to the Company's knowledge are free and clear of all Liens.

5.5 Financial Statements. The Historical Financial Statements fairly present the financial condition of the Company as at such date and the results of operations of the Company for the fiscal period ended on such date, all in accordance with IFRS applied on a consistent basis, subject in the case of any such unaudited Historical Financial Statements to normal year-end audit adjustments. As of the Closing Date, the Company has no contingent liability or liability for taxes, long term lease or unusual forward or long term commitment that is not reflected in the Historical Financial Statements or the notes thereto and which in any such case is material in relation to the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Company.

5.6 Compliance with Law. The Company is in compliance with all applicable laws, ordinances, rules, regulations and requirements of all Governmental Authorities (including all Governmental Approvals necessary to the ownership of its Properties or to the conduct of its business, and laws with respect to social security and pension fund obligations, as applicable, but excluding Environmental Laws), except where the failure to so comply (other than with any anti-corruption law) could not reasonably be expected to have a Material Adverse Effect.

5.7 Approvals and Consents. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for (a) the due execution, delivery and performance by the Company of this Agreement, the Participating Debt Notes and the other Transaction Documents, (b) the determination, imposition, collection or receipt by the Company, or its agents, representatives or other parties acting on its behalf, of the Airport Fees and Charges other than the determination by the Airport Authority of Airport Fees and Charges as contemplated under the Transfer Agreement, (c) the grant by the Company of the Liens granted by it pursuant to the Security Documents, or (d) the perfection or maintenance of the Liens created by the Security Documents, except for (i) those authorizations, approvals, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect, and (ii) approvals for operations that cannot be obtained, or are customarily not obtained in The Bahamas or are not required to be obtained, until a later stage of operations.

5.8 Adverse Proceedings. There is no pending or threatened action, suit, investigation, litigation or proceeding (including any Environmental Action) affecting the Company before any Governmental Authority or arbitrator that (a) could be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of this Agreement, any Participating Debt Note or any other Transaction Document, or the consummation of the transactions contemplated hereby or thereby.

5.9 Taxes. The Company has filed, has caused to be filed or has been included in, all tax returns (national, departmental, local, municipal and foreign) required to be filed and has paid all taxes, assessments, fees and other charges (including interest and penalties) due with respect to the years covered by such returns.

5.10 Stamp Duties and Other Taxes. Except as otherwise disclosed on Schedule 5.10, no income, stamp or other taxes (other than taxes on, or measured by, net income or net profits) or levies, imposts, deductions, charges, compulsory loans or withholdings whatsoever are or will be, under applicable law in The Bahamas, imposed, assessed, levied or collected by The Bahamas or any political subdivision or taxing authority thereof or therein either (a) on or by virtue of the execution or delivery of this Agreement, the Participating Debt Notes or the other Participating Debt Documents or (b) on any payment to be made by the Company pursuant to this Agreement, the Participating Debt Notes or the other Participating Debt Documents.

5.11 Property. The Company has good and valid legal ownership and title to all the Collateral, in each case, free and clear of any and all Liens, encumbrances or other exceptions to title, other than Permitted Liens and Liens permitted under Section 11.5.

5.12 Enforceability of Security. The provisions of the Security Documents are effective to create, in favor of the Subordinated Collateral Agent, for the benefit of the Secured Parties, legal, valid and enforceable perfected Liens on the Collateral described therein prior and superior to all other Liens, except for Permitted Liens. Each of the security interests granted in the Collateral pursuant to the Security Documents (a) constitutes as to personal property included in the Collateral and, with respect to subsequently acquired personal property included in the Collateral, will constitute, a perfected security interest under applicable Law and (b) is, and, with respect to such subsequently acquired property, will be, as to Collateral perfected under applicable law as aforesaid, superior and prior to the rights of all third Persons now existing or hereafter arising whether by way of mortgage, lien, security interest, encumbrance, assignment or otherwise, except for Permitted Liens. All such action as is necessary has been (or, as of the Closing Date, will have been) taken to establish and perfect the rights of the applicable Subordinated Collateral Agent, for the benefit of the Secured Parties, in and to the Collateral, including any recording, filing, registration, giving of notice or other similar action.

5.13 Adequacy of Easements, Etc. To the knowledge of the Company, other than services, materials and other rights that can reasonably be expected to be commercially available to the Company as and when needed, the easements, property rights and interests (including intellectual property) of the Company, and utilities and other services available to the Company, and the property on which the Airport is located, in each case, are sufficient for the management, operation (including, if applicable, expansion) and maintenance of the Airport, as contemplated under the Transaction Documents.

5.14 Employee Benefits. (a) The Company does not maintain, sponsor or contribute to, and has not at any time maintained, sponsored or contributed to, any employee benefit plan subject to ERISA or the Code. The Company does not have any ERISA Affiliates. The Company is not a “party in interest” (as defined in Section 406 of ERISA) or a “disqualified person” (as defined in Section 4975 of the Code), with respect to, any employee benefit plan (as defined in Section 3(5) of ERISA).

(a) All contributions required to be made with respect to a Foreign Benefit Plan have been timely made. Each Foreign Benefit Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable Laws governing



each such Foreign Benefit Plan, and has been maintained, where required, in good standing with applicable Governmental Authorities. The Company has not incurred any obligation in connection with the termination, withdrawal from, or payment of benefits under any Foreign Benefit Plan.

5.15 Private Offering by the Company. Assuming that the Purchasers are acquiring their Participating Debt Notes for investment purposes only, and not for purposes of resale or distribution thereof, and further assuming that each such Purchaser is an “accredited investor” as such term is defined in Rule 501(a) under the Securities Act and/or in Regulation 2 of the Securities Industry Regulations, no registration of such Participating Debt Notes under the Securities Act or the Securities Industry Act is required in connection with the offering, issuance and sale of such Participating Debt Notes hereunder. None of the Company or any of its Affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act (“Regulation D”)) has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as such term is defined in the Securities Act), which is or could be integrated with the sale of the Participating Debt Notes in a manner that would require registration of the Participating Debt Notes under the Securities Act or the filing of a prospectus under the Securities Industry Act. None of the Company or any of its Affiliates or any other person acting on its or their behalf has solicited offers for, or offered or sold, the Participating Debt Notes by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act. Neither the Company nor anyone acting on its behalf has offered the Participating Debt Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchasers and not more than [●] other Institutional Investors, each of which has been offered the Participating Debt Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Participating Debt Notes to the registration requirements of Section 5 of the Securities Act or to the prospectus filing requirements of the Securities Industry Act.

5.16 Margin Regulations. The Company is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Participating Debt Note will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

5.17 Foreign Assets Control Regulations. Etc. (a) Neither the Company nor any Controlled Entity (i) is a Blocked Person, (ii) has been notified that its name appears or may in the future appear on a State Sanctions List or (iii) is a target of sanctions that have been imposed by the United Nations or the European Union.

(b) Neither the Company nor any Controlled Entity (i) has violated, been found in violation of, or been charged or convicted under, any applicable Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) to the Company’s knowledge, is under investigation by any Governmental Authority for possible violation of any Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws.

(c) No part of the proceeds from the sale of the Participating Debt Notes hereunder:

(i) constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Blocked Person, (B) for any purpose that would cause any Purchaser to be in violation of any Economic Sanctions Laws or (C) otherwise in violation of any Economic Sanctions Laws;

(ii) will be used, directly or indirectly, in violation of any applicable Anti-Money Laundering Laws or cause any Purchaser to be in violation of any applicable Anti-Money Laundering Laws of the United States or The Bahamas; or

(iii) will be used, directly or indirectly, for the purpose of making any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of any applicable Anti-Corruption Laws or would cause any Purchaser to be in violation of any applicable Anti-Corruption Laws of the United States or The Bahamas.

(d) The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable Economic Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws.

5.18 Status under Certain U.S. Statutes. The Company is not subject to regulation under the Investment Company Act of 1940, the Public Utility Holding Company Act of 2005, the ICC Termination Act of 1995, or the Federal Power Act.

5.19 Compliance with Environmental Law. To the Company's knowledge, the Company is in compliance with all applicable Environmental Laws that relate to the Company's operations, except where noncompliance with such Environmental Laws (a) could not reasonably be expected to have a Material Adverse Effect, or (b) relates to Hazardous Materials or a potential Environmental Action arising from matters identified in the Environmental Baseline Study for which the Airport Authority retains responsibility under the Management Agreement. Except as identified in the Environmental Baseline Study, the Company has not received any communication or notice from any Governmental Authority alleging any violation of or noncompliance with any Environmental Laws that could reasonably be expected to have a Material Adverse Effect.

5.20 Ranking. The Company's obligations under this Agreement, the Participating Debt Notes and the other Participating Debt Documents constitute direct, unconditional and secured obligations of the Company and rank and will rank at least *pari passu* in priority of payment and in all other respects with all other unsecured Debt of the Company, but fully subordinate in priority of payment and in all other respects with all Obligations of the Company under the Senior Secured Facilities.

5.21 Appropriate Form for Participating Debt Documents. This Agreement, the Participating Debt Notes, and each of the other Participating Debt Documents and Transaction Documents are in proper legal form under the laws of The Bahamas for the enforcement thereof against the Company under the laws of The Bahamas; and to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement or the Participating Debt Notes in The Bahamas, it is not necessary that this Agreement, any of the Participating Debt Notes, any other Participating Debt Document or Transaction Document, or any other document be filed or recorded with any court or other authority in The Bahamas or that any stamp or similar tax be paid on or in respect of this Agreement or any of the Participating Debt Notes, except as otherwise disclosed on Schedule 5.21.

5.22 Due Execution and Delivery; Enforceability. The Company has duly executed and delivered this Agreement and each of the other Transaction Documents (with the exception of the Participating Debt Notes) to which it is a party. Each of the Participating Debt Notes upon execution and delivery by the Company and the IATA Acknowledgment when delivered hereunder will have been duly executed and delivered by the Company. Each of this Agreement and the other Transaction Documents (with the exception of the Participating Debt Notes and the IATA Acknowledgment) to which the Company is a party is the legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms. Each of the Participating Debt Notes upon execution and delivery by the Company and the IATA Acknowledgment when delivered hereunder will be the legal, valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms.

5.23 Absence of Material Adverse Effect. Since the date of the audited Consolidated balance sheet, and related Consolidated statement of income and Consolidated statement of cash flows, of the Company and its Subsidiaries delivered to the Purchasers pursuant to Section 4.10, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.24 Nature of Business. The Company is engaged solely in the business of management, operation (including, if applicable, expansion) and maintenance of the Airport and any other airports in The Bahamas, and related activities.

5.25 No Immunity from Jurisdiction or Legal Process. The Company is subject to civil and commercial law with respect to its obligations under this Agreement and the other Transaction Documents, and the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents constitute private and commercial acts (*jure gestionis* acts) rather than public or governmental acts (*jure imperii* acts). None of the Company nor any of its Subsidiaries nor any of their respective properties has any immunity from jurisdiction of any court or from set-off or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of The Bahamas.

5.26 Solvency. The Company is Solvent.

5.27 PATRIOT Act. To the extent applicable, the Company is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) the PATRIOT Act. No part of the proceeds of the Participating Debt Notes will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

5.28 Condemnation Proceedings, Force Majeure. There are no condemnation proceedings, events of loss, force majeure events, strikes or labor disputes affecting the Company or the Airport that could reasonably be expected to have a Material Adverse Effect.

5.29 Affiliate Transactions. Except for any expressly stated obligations of the Company under the Material Project Contracts, there are no transactions between the Company and its Affiliates, except on fair and reasonable terms and conditions no less favorable to the Company than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate.

## SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS.

6.1 Purchase for Investment. Each Purchaser severally represents that it is purchasing the Participating Debt Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's property or the property of such pension or trust funds shall at all times be within the control of either such Purchaser or such pension or trust fund, as applicable. Each Purchaser acknowledges that the Participating Debt Notes (a) have not been and will not be registered under the Securities Act or the Securities Industry Act, (b) may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (within the meaning of Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and (c) may be resold only if registered pursuant to the provisions of the Securities Act or the Securities Industry Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Participating Debt Notes or any offering document prepared in connection therewith.

6.2 Representation and Warranty. Each Purchaser severally represents that it is not a U.S. person (within the meaning of Regulation S).

## SECTION 7. INFORMATION AS TO COMPANY.

7.1 Financial and Business Information. The Company shall deliver to the Participating Debt Note Agent:

(a) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, Consolidated and consolidating balance sheets of the Company and its Subsidiaries as of the end of such quarter and Consolidated and consolidating statements of income and cash flows of the Company and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the Chief Financial Officer of the Company as having been prepared in accordance with IFRS;

(b) as soon as available and in any event within 120 days after the end of each fiscal year of the Company, a copy of the annual audit report for such year for the Company and its Subsidiaries, containing Consolidated and consolidating balance sheets of the Company and its Subsidiaries as of the end of such fiscal year and Consolidated and consolidating statements of income and cash flows of the Company and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by independent public accountants acceptable to the Participating Debt Note Agent (acting on the instructions of the Required Holders);

(c) promptly after the sending or filing thereof, copies of all material reports that the Company sends to any of its securityholders, and copies of all material reports and registration statements that the Company or any Subsidiary files with the U.S. Securities and Exchange Commission or the Bahamas Securities Commission or Bahamas International Stock Exchange or any other securities exchange or regulator;

(d) as soon as possible and in any event within five Business Days after any Authorized Officer of the Company becoming aware of the occurrence of (i) any Default or Event of Default, which Default or Event of Default or (ii) any event development or occurrence that has resulted in, or which the Company reasonably believes could be reasonably expected to result in, a Material Adverse Effect, and, in the case of clauses (i) and (ii) above, which is continuing on the date of such statement, a statement of an Authorized Officer of the Company setting forth details of such Default, Event of Default or event, development or occurrence and the action that the Company has taken and proposes to take with respect thereto;

(e) promptly after the commencement thereof, notice of all actions, investigations and proceedings before any Governmental Authority or arbitrator affecting the Company or any of its Subsidiaries of the type described in Section 5.8;

(f) as soon as possible and in any event within ten days after its receipt of the same, copies of any correspondence from the Government which terminates, revokes, amends, supplements or otherwise modifies, or purports to terminate, revoke, amend, supplement or otherwise modify, the Insurance Indemnity Letter, together with a statement of an Authorized Officer of the Company setting forth details of the action that the Company has taken and proposes to take with respect thereto;

(g) within 10 days following the date on which the Company's auditors resign or the Company elects to change auditors, as the case may be, notification thereof, together with such further information as the Required Holders may request;

(h) as soon as possible and in any event within ten days, notice of any Casualty Event that could reasonably be expected to have a Material Adverse Effect;

(i) as soon as possible and in any event within ten days after the Company's issuance or receipt thereof (as the case may be), a copy of any material notice issued to, or received by, the Company under any Material Project Contract; and

(j) such other information respecting the Company or any of its Subsidiaries as any Agent or any holder of a beneficial interest in any Participating Debt Note through the Participating Debt Note Agent may from time to time reasonably request.

7.2 Visitation Rights. At any reasonable time and from time to time, the Company shall permit any of the Agents or any of the holders of the beneficial interests in the Participating Debt Notes or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and any of its Subsidiaries, and permit any Agent or, upon the occurrence and continuation of any Default or Event of Default, any holder of a beneficial interest in a Participating Debt Note, to discuss the affairs, finances and accounts of the Company and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants; provided that, so long as no Default or Event of Default has occurred and be continuing, each such visit shall be at such holder's own expense.

## SECTION 8. PAYMENT AND PREPAYMENT OF THE PARTICIPATING DEBT NOTES.

### 8.1 Interest Payments, Amortization, Maturity.

(a) Interest. The Company promises to pay interest on the unpaid principal balance of each Participating Debt Note at a rate per annum (from the Closing Date) equal to [●] ([●]%) per annum. Interest shall accrue from the date of issuance of each Participating Debt Note (subject to Section 15 of this Agreement) until the earliest to occur of (i) the Maturity Date and (ii) prepayment of the entire principal amount of such Participating Debt Note.

(b) Interest shall be calculated based on a 360-day year comprised of twelve 30-day months for actual number of days elapsed and shall be payable quarterly in arrears on each Quarterly Date, commencing [March 31, 2019]; provided that interest shall be payable solely to the extent of available cash flow for such purposes from funds on deposit in the Onshore Revenue Accounts (as such term is defined in the Bahamas Deposit Account Control and Security Agreement) and the Offshore Revenue Account (as such term is defined in the New York Deposit Account Control and Security Agreement), and applied pursuant to Section 2.02(b) of the Bahamas Deposit Account Control and Security Agreement and Section 2.02(b) of the New York Deposit Account Control and Security Agreement. To the extent any accrued interest in respect of the Participating Debt Notes is not paid in cash when due on any Quarterly Date, such unpaid interest shall, on such Quarterly Date, be capitalized and the principal amount outstanding under the Participating Debt Notes shall be increased in the amount equal to such capitalized interest.



8.2 Principal Payment. Without prejudice to any other provision in this Section 8 or any other Participating Debt Document, the entire principal amount of all Participating Debt Notes then outstanding, together with accrued interest and fees thereon, shall be payable on [December 31, 2035] (the “Maturity Date”).

8.3 Method and Place of Payment. Except as otherwise specifically provided herein or in the other Participating Debt Documents, all payments under this Agreement or any Participating Debt Note to the holders of beneficial interests in the Participating Debt Notes shall be made to the Participating Debt Note Agent (for the account of the applicable holder of a beneficial interest in the Participating Debt Notes) at such account as it shall have previously designated to the Company for such purpose, irrespective of any right of counterclaim or set-off, not later than 10:00 a.m. (Bahamas time) on the day when due in same day funds. Following the receipt of funds for such purpose as provided above, the Participating Debt Note Agent will, on the relevant day when due, cause to be distributed like funds ratably to the holders of beneficial interests in the Participating Debt Notes (for payments of principal or interest or fees) or to the applicable holder of a beneficial interest in the Participating Debt Note (for payment of any other amount), as applicable, in each case in accordance with the payment instructions set forth on Schedule A, or pursuant to such other instructions as the relevant holder of beneficial interest in the Participating Debt Notes shall designate to the Participating Debt Note Agent in writing. All such payments will be made to the registered holder of a beneficial interest in the relevant Participating Debt Note, as shown in the register maintained by the Participating Debt Note Agent pursuant to Section 14.1 on the date such amount is due from the Company under this Agreement or any other Participating Debt Document, as applicable. The Company shall make each payment hereunder and under the other Participating Debt Documents to the Participating Debt Note Agent, irrespective of any right of counterclaim or set-off and in same day funds, not later than 10:00 a.m. (Bahamas time) on the day when due in the currency (Dollars or Bahamian Dollars) specified for such payment in the applicable Participating Debt Document (or, if no currency is specified for any such payment, in Bahamian Dollars), as directed by such holder. Whenever any payment to be made hereunder, under any other Participating Debt Document or under the Participating Debt Notes shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension.

8.4 Voluntary Prepayment of the Participating Debt Notes. The Company may, at its option (but solely to the extent permitted by the terms of the Senior Secured Facilities), upon notice as provided below, prepay at any time all, or from time to time on any Quarterly Date any part of, the Participating Debt Notes, at 100% of the principal amount so prepaid, on the following terms and conditions: (a) the Company shall give the Participating Debt Note Agent at least ten (10) Business Days’ prior written notice of its intent to prepay the Participating Debt Notes; and (b) such prepayment shall be in an aggregate principal amount of at least \$5,000,000 (or an integral multiple of \$500,000 in excess thereof) among all Participating Debt Notes, with prepayment to be made in the currency (Dollars or Bahamian Dollars) specified for payment in the applicable Participating Debt Notes. Each written notice shall specify the date of the prepayment (which shall be a Business Day), the aggregate principal amount of the Participating Debt Notes to be prepaid on such date and the interest to be paid on the prepayment date with respect to such principal amount being prepaid.

8.5 Mandatory Prepayment of the Participating Debt Notes. The Company shall also offer to prepay the Participating Debt Notes as and to the extent required pursuant to Section 8.6 below, at 100% of the principal amount so prepaid. Each offer to prepay provided to holders of the Participating Debt Notes pursuant to Section 8.6 below shall specify such date (which shall be a Business Day), the aggregate principal amount of the Participating Debt Notes to be prepaid on such date, the principal amount of each Participating Debt Note held by such holder to be prepaid (determined in accordance with Section 8.9), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid.

8.6 Mandatory Offers to Prepay. (a) Compensation Payments. To the extent any Net Cash Proceeds received by the Company as a result of any Casualty Event or Expropriation Event are not applied within 180 days after the Company's receipt thereof to repair or replace Property in respect of which such Net Cash Proceeds were made (or to reimburse the Company for any such repair or replacement) in accordance with the Senior Secured Facilities Documents, the Company shall, if all Obligations of the Company under the Senior Secured Facilities have been paid in full in accordance with the terms thereof and all commitments of the Senior Lenders thereunder terminated, prepay, on a pro rata basis based on the respective principal amounts thereof outstanding and at par, the Participating Debt Notes, together with accrued and unpaid interest, if any, on the principal amount prepaid.

(b) Dispositions. If the Company is required to use Net Cash Proceeds to make an offer of prepayment under Section 11.8(d), the Company shall prepay, on a pro rata basis based on the respective principal amounts thereof outstanding and at par, the Participating Debt Notes, together with accrued and unpaid interest, if any, on the principal amount prepaid, in an aggregate amount equal to such Net Cash Proceeds.

(c) Available PD Prepayment Amount. On each Quarterly Date, the Company shall apply the Available PD Prepayment Amount applicable to such Quarterly Date to prepay, on a pro rata basis based on the respective principal amounts thereof outstanding and at par, the Participating Debt Notes, together with accrued and unpaid interest, if any, on the principal amount prepaid.

8.7 Agent Fees. The Company agrees to pay to the Participating Debt Note Agent and each Subordinated Collateral Agent for their respective accounts, such other fees as are due and payable to such Person(s) as have been agreed to in writing by the Company and such Persons (collectively, the "Fee Letters"). All computations of the above fees shall be made on the basis of a 360 day year and the actual number of days elapsed.

8.8 Sharing. Each holder of a beneficial interest in Participating Debt Notes agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Transaction Documents, or otherwise), which, in any such case, is in excess of its ratable share of the relevant payments on account of the Obligations obtained by all holders of Participating Debt Notes to whom such payments are required to be made pursuant to the express terms of this Agreement, then such holder receiving such excess payment shall purchase for cash without recourse or warranty from such other holders an interest in the Obligations of the Company to such other holders in such amount as



shall result in a proportional participation by all the holders to whom such payments are required to be made pursuant to the express terms of this Agreement in such amount; provided that if all or any portion of such excess amount is thereafter recovered from such holder, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

8.9 Allocation of Partial Prepayments. In the case of each partial prepayment of Participating Debt Notes pursuant to this Section 8, the principal amount of the Participating Debt Notes to be prepaid shall be allocated among all holders of beneficial interests in the principal amount of the Participating Debt Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.10 Maturity; Surrender, Etc. In the case of each prepayment of Participating Debt Notes pursuant to this Section 8, the principal amount of each Participating Debt Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Participating Debt Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Participating Debt Note shall be issued in lieu of any prepaid principal amount of any Participating Debt Note.

8.11 Purchase of Participating Debt Notes. The Company will not purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Participating Debt Notes (or any interests therein) except upon the payment or prepayment of the Participating Debt Notes in accordance with the terms of this Agreement and the Participating Debt Notes. The Company will promptly cancel all Participating Debt Notes acquired by it pursuant to any payment or prepayment of Participating Debt Notes pursuant to any provision of this Agreement and no Participating Debt Notes may be issued in substitution or exchange for any such Participating Debt Notes.

## SECTION 9. USE OF PROCEEDS.

9.1 Use of Proceeds. The proceeds of the Participating Debt Notes received by the Company shall be used to refinance the Existing Participating Debt Notes and to pay fees and other costs and expenses incurred in connection with such refinancing.

## SECTION 10. AFFIRMATIVE COVENANTS.

The Company covenants and agrees with each of the holders of beneficial interests in the Participating Debt Notes that from the Closing Date until all Obligations under the Participating Debt Documents have been paid in full in accordance with the terms hereof and thereof, the Company will:

10.1 Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include compliance with Environmental Laws and the Environmental Action Plan;

provided that, such compliance shall not be required in respect of those Hazardous Materials or potential Environmental Actions arising from matters identified in the Environmental Baseline Study for which the Airport Authority retains responsibility pursuant to the Management Agreement.

10.2 Maintenance of Insurance. Maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Subsidiary operates (including such insurance that would usually be obtained by the Company against loss or damage from such causes as are customarily insured against), and adequate liability, fidelity and property insurance as would be usually maintained by a manager or operator of an airport similar to the Airport and, in any event, to the extent necessary to comply with any insurance required to be maintained under the Material Project Contracts; provided that no such insurance shall be required for perils to the extent the Company is indemnified by the Government pursuant to the Insurance Indemnity Letter.

10.3 Maintenance of Properties, Etc. Obtain, maintain and preserve, and cause each of its Subsidiaries to obtain, maintain and preserve (a) all of its properties that are necessary for the conduct of its business in their working order and condition as of the date hereof, so that properties in good working order and condition as of the date hereof are maintained in such condition, ordinary wear and tear excepted, and (b) all of its material licenses, approvals, permits and rights, including its authority to maintain and operate the Airport.

10.4 Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided that neither the Company nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

10.5 Preservation of Corporate Existence, Etc. Preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided that the Company and its Subsidiaries may consummate any merger or consolidation permitted under Section 11.2; provided further that neither the Company nor any of its Subsidiaries shall be required to preserve any right or franchise if the Board of Directors of the Company or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

10.6 Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company and each such Subsidiary in accordance with IFRS in effect from time to time.

10.7 Ranking. Take all action necessary to ensure that the Obligations under the Participating Debt Documents constitute direct, unconditional and secured obligations of the Company and rank and will rank at least *pari passu* in priority of payment and in all other respects with all other unsecured Debt of the Company, but fully subordinate in priority of payment and in all other respects with all Obligations of the Company under the Senior Secured Facilities.

10.8 Transactions with Affiliates. Except for any expressly stated obligations of the Company under the Transaction Documents, conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of their Affiliates on terms that are fair and reasonable and no less favorable to the Company or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

10.9 Performance of Material Project Contracts. Perform and observe all the terms and provisions of each Material Project Contract to be performed or observed by it, maintain each Material Project Contract in full force and effect, enforce each Material Project Contract and the Insurance Indemnity Letter in accordance with its terms, take all such action to such end as may be from time to time requested by the Participating Debt Note Agent and, upon request of the Participating Debt Note Agent, make to each other party to any Material Project Contract or Insurance Indemnity Letter such demands and requests for information and reports or for action as the Company or any of its Subsidiaries is entitled to make under such Material Project Contract or Material Project Contract and Insurance Indemnity Letter, and, in each case, cause each of its Subsidiaries to do so, except to the extent failure to comply with this Section 10.9 could not be expected to result in a Material Adverse Effect.

10.10 Further Assurances. (a) Promptly upon request by the Participating Debt Note Agent or any holder of a beneficial interest in Participating Debt Notes through the Participating Debt Note Agent (i) correct any material defect or error that may be discovered in any Participating Debt Document or in the execution, acknowledgment, filing or recordation thereof, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Participating Debt Note Agent or any holder of a beneficial interest in Participating Debt Notes through the Participating Debt Note Agent may reasonably require from time to time in order to (A) carry out more effectively the purposes of the Participating Debt Documents, (B) to the fullest extent permitted by applicable Law, subject the Company's properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Security Documents, (C) perfect and maintain the validity, effectiveness and priority of any of the Security Documents and any of the Liens intended to be created thereunder and (D) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Participating Debt Document or under any other instrument executed in connection with any Participating Debt Document to which the Company is or is to be a party.

(b) Without limitation of the generality of clause (a) above, the Company shall take all action necessary to cause each Replacement Project Contract (including any Replacement Project Contract entered into with respect to the Management Agreement), to be or become subject to the Liens of the Security Documents (whether by amendment to any Security

Document, execution of a new Security Document or otherwise) in favor of a Subordinated Collateral Agent, acting on behalf of and for the benefit of the Secured Parties, and shall deliver or cause to be delivered to the Participating Debt Note Agent the following simultaneously with, or promptly (and in any event within five Business Days) after, entering into such Material Project Contract:

(i) an Officer's Certificate from the Company certifying:

(i) that attached thereto is a true and complete copy of such Material Project Contract as in effect on the date of such certificate;

(ii) such other corporate and other matters as the Participating Debt Note Agent may reasonably request;

(ii) a Consent Agreement with respect to such Material Project Contract, duly executed by all parties thereto; and

(iii) legal opinions in form and substance, and from counsel, reasonably acceptable to the Participating Debt Note Agent (acting on the instructions of the Required Holders), with respect to such Material Project Contract and the Liens in respect of the Company's rights, title and interests in, to and under such Material Project Contract in favor of a Subordinated Collateral Agent, acting on behalf of and for the benefit of the Secured Parties.

10.11 Maintenance of Accounts. Maintain the Accounts in accordance with the New York Deposit Account Control and Security Agreement (Participating Debt) and the Bahamas Deposit Account Control and Security Agreement (Participating Debt).

10.12 Operation and Maintenance of Airport. Cause the Airport to be managed, operated and maintained in accordance with all material applicable laws, rules, regulations, judgments and orders applicable to it, and such that the Company may charge and receive Airport Fees and Charges, and cause such repairs to be made as shall be necessary or appropriate in the prudent management of the Airport.

10.13 Airport Fees and Charges. The Company shall use its best efforts to (i) maintain Airport Fees and Charges and (ii) apply for adjustment thereof, as may be reasonably necessary to ensure repayment in full of the Participating Debt Notes on or before the Maturity Date.

10.14 IATA Acknowledgment. On or before the date when all Obligations of the Company under the Senior Secured Facilities have been paid in full and all commitments of the Senior Lenders thereunder terminated, deliver to the Participating Debt Note Agent an IATA Acknowledgment, as issued by the Company to, and accepted and acknowledged by, IATA.

10.15 Recommendation to the Airport Authority. To the extent payments to the Participating Debt Note Agent permitted under clause *Twelfth* of Section 2.02(b) of the New York Deposit Account Control and Security Agreement and clause *Twelfth* of Section 2.02(b) of the Bahamas Deposit Account Control and Security Agreement shall not be made on two

consecutive Quarterly Dates as a result of the Debt Service Coverage Ratio as of the last day of the fiscal quarter of the Company ending on or immediately preceding the date when such payment should have been made being lower than 1.40:1.00, the Company will, in each fiscal quarter following such non-payment and to the extent such payments remain unpaid, promptly:

(a) make a recommendation in writing to the Airport Authority for an upward modification to the amount of any existing Airport Fees and Charges or for the introduction of new Airport Fees and Charges, in each case, in accordance with Schedule K to the Transfer Agreement and promptly report to the Participating Debt Note Agent with reasonable details on the outcome of such recommendations, or

(b) deliver a report to the Participating Debt Note Agent setting out in reasonable detail the reasons why it has not made such recommendation to the Airport Authority as required in clause (a) above.

10.16 Economic Sanctions. The Company will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Participating Debt Notes) with any Person if such investment, dealing or transaction would be in violation of, or could result in the imposition of sanctions under, any Economic Sanctions Laws applicable to the Company or such Controlled Entity, except, in the case of this clause (b), to the extent that such violation or sanctions, if imposed, could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

## SECTION 11. NEGATIVE COVENANTS.

The Company covenants and agrees with each of the holders of beneficial interests in the Participating Debt Notes that from the Closing Date until the Obligations under the Participating Debt Documents have been paid in full in accordance with the terms hereof and thereof, the Company will not:

11.1 Affiliate Transactions. Enter into any transaction with an Affiliate except on terms at least as favorable as would be obtained in a comparable arms-length transaction with an unrelated third party.

11.2 Mergers, Etc. Merge or consolidate with or into any Person, liquidate or dispose of all or substantially all of its assets, whether in one transaction or a series of related transactions, or permit any of its Subsidiaries to do so, except that any Subsidiary of the Company may merge or consolidate with or into any other Subsidiary of the Company, and except that any Subsidiary of the Company may merge into the Company; provided, in each case, that no Default or Event of Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

11.3 Change in Nature of Business. Undertake, or permit any of its Subsidiaries to undertake, any business other than the management, operation (including, if applicable, expansion) and maintenance of the Airport and any other airports in The Bahamas and related activities.

11.4 OFAC. Become, or permit any Subsidiary to become a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order.

11.5 Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its Properties whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(a) Liens under the Participating Debt Documents;

(b) Permitted Liens;

(c) purchase money Liens upon or in any real property or equipment acquired or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount; provided that no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired, and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced;

(d) Liens existing on the Closing Date and described on Schedule 11.5(d) hereto;

(e) other Liens securing Debt in an aggregate principal amount not to exceed the amount specified therefore in Section 11.6(c)(ii) at any time outstanding;

(f) Liens securing Debt incurred in the ordinary course of business not to exceed US\$500,000 or its equivalent at any time outstanding;

(g) the replacement, extension or renewal of any Lien permitted by any of clauses (a), (c), (d), (e) or (f) above upon or in the same property theretofore subject thereto securing Permitted Refinancing Debt in respect of the Debt secured thereby.

11.6 Debt. Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any Debt, except:

(a) in the case of the Company;

(i) Debt under the Participating Debt Documents;

(ii) the Senior Secured Facilities;

(iii) Debt in respect of any Hedge Agreements required under the Senior Secured Facilities Documents; and



- (iv) Debt owed to a wholly-owned Subsidiary of the Company;
- (b) in the case of any Subsidiary of the Company, Debt owed to the Company or to a wholly-owned Subsidiary of the Company; and
- (c) in the case of the Company and its Subsidiaries;
  - (i) Debt secured by Liens permitted by Section 11.5(b), (c) or (f) not to exceed in the aggregate US\$500,000 at any time outstanding;
  - (ii) Capitalized Leases not to exceed in the aggregate US\$500,000 at any time outstanding;
  - (iii) Debt existing on the Closing Date and described on Schedule 11.6 hereto (the “Existing Debt”);
  - (iv) unsecured Debt incurred in the ordinary course of business for the deferred purchase price of property or services, maturing within one year from the date created; and
  - (v) other unsecured Debt incurred in the ordinary course of business not to exceed US\$500,000 or its equivalent; and
- (d) any Permitted Refinancing Debt in respect of Debt permitted under clauses (a)(i), (a)(ii) and (c) above.

11.7 Accounting Changes, Etc. Make or permit, or permit any of its Subsidiaries to make or permit, any material change in accounting policies or reporting practices, except as required or permitted by IFRS.

11.8 Sales, Etc. of Assets. Sell, lease, sub-lease, transfer or otherwise dispose of, or permit any of its Subsidiaries to sell, lease, sub-lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any Property (each, a “Disposition”), except:

- (a) sub-leases in the ordinary course of business;
- (b) in a transaction permitted under Section 11.2;
- (c) Dispositions of Property for fair value in an aggregate amount not to exceed US\$500,000 (or the equivalent in other currencies) in any fiscal year, as determined in good faith by the Board of Directors of the Company;
- (d) Disposition of Property for fair value in an aggregate amount in excess of US\$500,000 (or the equivalent in other currencies) in any fiscal year; provided that, the Company shall, within three (3) Business Days after receipt by the Company or any of its Subsidiaries of Net Cash Proceeds from such Disposition, deposit such Net Cash Proceeds in the applicable Net Cash Proceeds Accounts and, to the extent such Net Cash Proceeds are not used

within 180 days to acquire replacement assets used or useful in the business and if all Obligations of the Company under the Senior Secured Facilities have been paid in full in accordance with the terms thereof and all commitments of the Senior Lenders thereunder terminated, offer to prepay the Participating Debt Notes; and

- (e) Dispositions of cash equivalents for fair market value.

11.9 Dividends, Restricted Payments, Etc. Declare or make any Restricted Payment.

11.10 Lease Obligations. Create, incur, assume or suffer to exist, or permit any of its Subsidiaries to create, incur, assume or suffer to exist, any obligations as lessee for the rental or hire of real or personal property in connection with any sale and leaseback transaction.

11.11 Amendment of Charter Documents. Amend, or permit any of its Subsidiaries to amend, its Charter Documents in any respect which would reasonably be expected to (a) have a Material Adverse Effect, (b) impair the value of the Collateral or (c) change its corporate structure or legal form.

11.12 Impairment of Rights. Enter into any contract, nor take any action, the results of which could reasonably be expected to materially impair the value of the Collateral or the rights of any Secured Party, or permit any of its Subsidiaries to enter into any such contract or take any such action.

11.13 Investments in Other Persons. Make or hold, or permit any of its Subsidiaries to make or hold, any Investment in any Person, except:

- (a) loans and advances to employees in the ordinary course of the business of the Company and its Subsidiaries as presently conducted in an aggregate principal amount not to exceed US\$250,000 at any time outstanding;

- (b) Investments in cash equivalents;

- (c) Investments in any Hedge Agreements required under the Senior Secured Facilities Documents;

- (d) Investments in Nassau Flight Services Limited as contemplated under the provisions of the Management Agreement; and

- (e) Investments made using funds on deposit in the Unrestricted Accounts.

11.14 Payment Restrictions Affecting Subsidiaries. Directly or indirectly, enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any agreement or arrangement limiting the ability of any of its Subsidiaries to declare or pay dividends or other distributions in respect of its Capital Stock or repay or prepay any Debt owed to, make loans or advances to, or otherwise transfer assets to or make Investments in, the Company or any Subsidiary of the Company (whether through a covenant restricting dividends,



loans, asset transfers or investments, a financial covenant or otherwise), except the Participating Debt Documents and agreements in respect of Senior Secured Facilities.

11.15 Amendment, Etc. of Material Contracts. (a) Subject to the Replacement Rights, cancel or terminate any Material Project Contract or the Insurance Indemnity Letter or consent to any cancellation or termination thereof; provided that the Company may cancel or terminate the Project Management Agreement at any time, (b) amend or otherwise modify any Material Project Contract or the Insurance Indemnity Letter or give any consent, waiver or approval thereunder, (c) waive any default under or breach of any Material Project Contract or the Insurance Indemnity Letter or agree in any manner to any other amendment, modification or change of any term or condition of any Material Project Contract or the Insurance Indemnity Letter, (d) take any other action in connection with any Material Project Contract or the Insurance Indemnity Letter, or (e) permit any of its Subsidiaries to do any of the foregoing matters; but in the case of the actions set forth in clauses (b) through (e) inclusive, only to the extent such action could not reasonably be expected to result in a Material Adverse Effect.

11.16 Partnerships, Etc. Except for any partnership or joint venture, the formation of which will not require any investment of capital by the Company, become a general partner in any general or limited partnership or joint venture, or permit any of its Subsidiaries to do so.

11.17 Subsidiaries. Subject to Section 11.13 above, create any Subsidiaries, unless (a) such Subsidiary is wholly owned by the Company, (b) the Company has pledged all Capital Stock of such subsidiary as Collateral in favor of the Secured Parties, and (c) such Subsidiary has granted security interests in all its Property as Collateral for, the Participating Debt Notes.

11.18 Accounts. Except for accounts in respect of which a Lien has been granted in favor of a Subordinated Collateral Agent, open or maintain any deposit, security or other accounts; provided, that the Company may open or maintain in the ordinary course of business (a) such other accounts secured by a legal, valid and enforceable Lien in favor of the holders of beneficial interests in the Participating Debt Notes, subject to no other Liens except for Permitted Liens, (b) such other accounts the aggregate maximum balance of which shall not exceed US\$100,000 or its equivalent at any time and (c) the Unrestricted Accounts.

## SECTION 12. EVENTS OF DEFAULT.

12.1 Events of Default. The occurrence of any of the following events or circumstances shall constitute an “Event of Default” hereunder:

(a) The Company shall fail to (i) pay any principal of any Participating Debt Note within five Business Days of when the same becomes due and payable or (ii) pay any interest on any Participating Debt Note or make any other payment of fees or other amounts payable under this Agreement, any Participating Debt Document or any Participating Debt Note, in each case, within thirty Business Days of when the same becomes due and payable; or

(b) Any representation or warranty made by the Company herein or by the Company (or any of its officers) in connection with this Agreement or any of the other

Participating Debt Documents shall prove to have been incorrect in any material respect when made; or

(c) (i) The Company shall fail to perform or observe any term, covenant or agreement contained in Section 10.14 or Section 11, or (ii) the Company shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any of the other Participating Debt Documents on its part to be performed or observed if (A) the existence of such failure has had or could reasonably be expected to have a Material Adverse Effect and (B) such failure shall remain unremedied for 60 days after written notice thereof shall have been given to the Company by the Participating Debt Note Agent or any holder of a beneficial interest in a Participating Debt Note; provided that, if (I) such failure is capable of being cured but cannot be cured within such 60-day period, (II) the Company is diligently attempting to cure the same in good faith, and (III) the Participating Debt Note Agent shall have received a certificate of the Company to the effect of clauses (I) and (II) above and stating what actions the Company is taking to cure such failure, then the time within which such default may be cured shall be extended to such longer period of time which may be necessary to cure the same, but in no event to exceed an additional 90 days after the end of the 60-day period; or

(d) The Company or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding (but excluding Debt outstanding hereunder) in the aggregate amount in excess of US\$1,000,000, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; provided that should such failure, event, condition or requirement to prepay, redeem, purchase or defease any Senior Secured Facilities occur or exist, as applicable, such failure, event condition or requirement to prepay, redeem, purchase or defease such Debt must continue for a period of ninety (90) days without cure or waiver of such failure, event, condition or requirement to prepay, redeem, purchase or defease such Senior Secured Facility.

(e) The Company or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Company or any of its Subsidiaries seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 90 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against,

or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this clause (e); or

(f) Any judgment or order for the payment of money in excess of US\$1,000,000 shall be rendered against the Company or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) Any non-monetary judgment or order shall be rendered against the Company or any of its Subsidiaries or any Material Project Party that could be reasonably expected to have a Material Adverse Effect, and there shall be any period of 90 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) The obligations of the Company under this Agreement, the Participating Debt Notes and the other Participating Debt Documents shall fail to rank at least *pari passu* with all other unsecured Debt of the Company; or

(i) Subject to the Replacement Rights, except for the expiration of the Project Management Agreement in accordance with its terms upon its scheduled expiration date, any provision of this Agreement, the Participating Debt Notes, any other Participating Debt Document or any of the other Transaction Documents shall cease to be valid and binding on or enforceable against the Company or any Material Project Party, or the Company shall so assert or state in writing, or the obligations of the Company or any Material Project Party under this Agreement, the Participating Debt Notes, any other Participating Debt Document or any other of the Transaction Documents shall in any way become illegal, or any Material Project Contract (other than the IATA Agreement) shall be terminated or otherwise cease to be in effect; or

(j) Either (i) any Governmental Authority asserting or exercising governmental or police powers in The Bahamas shall take any action, including a general moratorium, canceling, suspending or deferring the obligation of the Company to pay any amount of principal or interest payable under this Agreement, any Participating Debt Document, the Participating Debt Notes or any Transaction Document preventing or hindering the fulfillment by the Company of its obligations under this Agreement, any Participating Debt Document, the Participating Debt Notes or any of the other Transaction Documents or having any effect on the currency in which the Company may pay its obligations under this Agreement or the Participating Debt Notes or on the availability of foreign currencies in exchange for Bahamian Dollars (including any requirement for the approval to exchange foreign currencies for Bahamian Dollars) or otherwise or (ii) the Company shall, voluntarily or involuntarily, participate or take any action to participate in any facility or exercise involving the rescheduling of the Company's debts or the restructuring of the currency in which the Company may pay its obligations; or

(k) Any Governmental Authority asserting or exercising governmental or police powers in The Bahamas or any Person acting or purporting to act under such authority

shall have taken any action to condemn, seize or appropriate, or to assume custody or control of, all or a substantial portion of the property of the Company or of any of its Subsidiaries necessary for the management, operation (including, if applicable, expansion) and maintenance of the Airport, in accordance with the Material Project Contracts; or

(l) Any Lien purported to be created by any Security Document shall cease to be a valid, perfected Lien having the priority specified in the applicable Security Document and the Intercreditor Agreement or on the Property covered thereby for any reason; or

(m) Subject to the Replacement Rights, any Material Project Party, other than the Airport Authority, shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against a Material Project Party seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 90 days, or any of the actions sought in such proceeding (including the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or a Material Project Party shall take any corporate action to authorize any of the actions set forth above in this clause (m); or

(n) The Company or any of its Subsidiaries shall be in breach of any material obligation, or a material default by the Company or any of its Subsidiaries shall have occurred and be continuing under a Material Project Contract if (i) the existence of such breach has had or could reasonably be expected to have a Material Adverse Effect and (ii) such breach shall remain unremedied for 60 days after written notice thereof shall have been given to the Company by the Participating Debt Note Agent or any holder of a beneficial interest in a Participating Debt Note; provided that, if (A) such failure is capable of being cured but cannot be cured within such 60-day period, (B) the Company is diligently attempting to cure the same in good faith, and (C) the Participating Debt Note Agent shall have received a certificate of the Company to the effect of clauses (A) and (B) above and stating what actions the Company is taking to cure such failure, then the time within which such default may be cured shall be extended to such longer period of time which may be necessary to cure the same, but in no event to exceed an additional 90 days after the end of the 60-day period; or

(o) Subject to the Replacement Rights, any Material Project Party shall fail to perform or observe any material term, covenant or agreement contained in any Material Project Contract to which it is a party and such breach or default shall (i) not be remediable or, (ii) if remediable, shall continue unremedied for a period equal to the greater of the cure period provided under such Material Project Contract or 90 days, and in each case, such breach or default has had or could reasonably be expected to have a Material Adverse Effect; or

(p) Any material Governmental Approval shall cease to be in full force and effect, and the same has had or could reasonably be expected to have a Material Adverse Effect; or

(q) Total Loss of the Airport; or

(r) Abandonment of the Airport; or

(s) As a result of, or in connection with, an ERISA Event that shall have occurred with respect to a Plan, the Company or any ERISA Affiliate has incurred or is reasonably expected to incur liability in an amount exceeding, in the aggregate with any amounts applicable under clauses (t) and (u) of this Section 12.1, US\$1,000,000; or

(t) The Company or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by Company and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds, in the aggregate with any amounts applicable under clauses (s) and (u) of this Section 12.1, US\$1,000,000 or requires payments exceeding US\$1,000,000 per annum; or

(u) the Company or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganization or termination the aggregate annual contributions of the Company and the ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization or termination occurs by an amount exceeding, in the aggregate with any amounts applicable under clauses (s) and (t) of this Section 12.1, US\$1,000,000;

then, and in any such event, the Participating Debt Note Agent shall at the request, or may with the consent, of the Required Holders, and subject to the Intercreditor Agreement, (i) foreclose or otherwise take action in respect of the Collateral (or instruct the Subordinated Collateral Agents to do so) and declare the Participating Debt Notes, all interest thereon and all other amounts payable under this Agreement and the other Participating Debt Documents to be forthwith due and payable, whereupon the Participating Debt Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Company and (ii) exercise any and all rights available under the Security Documents (or instruct the Subordinated Collateral Agents to do so) or otherwise available to a secured creditor; provided that in the event of an actual or deemed entry of an order for relief with respect to the Company under clause (e) of this Section 12.1, all Participating Debt Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Company.



12.2 No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any beneficial interest in any Participating Debt Note or the Participating Debt Note Agent in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's or the Participating Debt Note Agent's rights, powers or remedies. No right, power or remedy conferred by this Agreement or any Participating Debt Note upon any holder of a beneficial interest in any Participating Debt Note shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 16, the Company will pay to the holder of each beneficial interest in each Participating Debt Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including reasonable attorneys' fees, expenses and disbursements and any Registration Duty.

### SECTION 13. TAX INDEMNIFICATION.

13.1 Tax Indemnification. (a) All payments whatsoever under this Agreement, the Participating Debt Notes and the other Participating Debt Documents will be made by the Company in the currency (Dollars or Bahamian Dollars) specified for such payment in the applicable Participating Debt Notes and other Participating Debt Documents free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States or The Bahamas (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "Taxing Jurisdiction"), unless the withholding or deduction of such Tax is compelled by law.

(b) If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Company under this Agreement or the Participating Debt Notes, the Company will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a beneficial interest in a Participating Debt Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of this Agreement or the Participating Debt Notes after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of this Agreement, the Participating Debt Notes or the other Participating Debt Documents before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(i) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Participating Debt Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Participating Debt Note or the receipt

of payments thereunder or in respect thereof, including, without limitation, such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Company, after the Closing Date, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of this Agreement or the Participating Debt Notes are made to, the Taxing Jurisdiction imposing the relevant Tax;

(ii) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Company) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be deemed to have satisfied the requirements of this clause (ii) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Company no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof); or

(iii) any combination of clauses (i) and (ii) above.

(c) By acceptance of any Participating Debt Note (in the case of a holder of beneficial interests therein, by acceptance of any Participating Debt Note Agent on its behalf), the Participating Debt Note Agent and all holders of beneficial interests in such Participating Debt Note each agrees, subject to the limitations of clause (b) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Company all such forms, certificates, documents and returns provided to such holder by the Company (collectively, together with instructions for completing the same, "Forms") required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between the United States and such Taxing Jurisdiction and (y) provide the Company with such information with respect to such holder as the Company may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this

paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Company or mailed to the appropriate taxing authority (which in the case of a United Kingdom Inland Revenue Form FD13 or any similar Form shall be deemed to occur when such Form is submitted to the United States Internal Revenue Service in accordance with instructions contained in such Form), whichever is applicable, within 60 days following a written request of the Company (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Participating Debt Note, at least 90 days prior to the relevant interest payment date.

(d) On or before the date of the Closing the Company will furnish each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in The Bahamas pursuant to clause (b) of this Section 13, if any, and in connection with the transfer of any Participating Debt Note the Company will furnish the transferee of such Participating Debt Note with copies of any Form and English translation then required.

(e) If any payment is made by the Company to or for the account of the holder of any beneficial interest in any Participating Debt Note after deduction for or on account of any Taxes, and increased payments are made by the Company pursuant to this Section 13, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Company such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any beneficial interest in any Participating Debt Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any beneficial interest in any Participating Debt Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (b) above) oblige any holder of any beneficial interest in any Participating Debt Note to disclose any information relating to its tax affairs or any computations in respect thereof.

(f) Upon the request of the Participating Debt Note Agent in writing, the Company will furnish to the relevant holders of beneficial interests in the Participating Debt Notes the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid by the Company of any Tax in respect of any amounts paid under this Agreement or the Participating Debt Notes (or if such original tax receipt is not available or must legally be kept in the possession of the Company, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a beneficial interest in a Participating Debt Note.

(g) If the Company is required by any applicable Law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Company would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any beneficial interest in any Participating Debt Note, and such holder pays such



liability, then the Company will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Company) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

(h) If the Company makes payment to or for the account of any holder of a beneficial interest in a Participating Debt Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Company (which shall specify in reasonable detail and supply the refund forms to be filed), use reasonable efforts to complete and deliver such refund forms to or as directed by the Company, subject, however, to the same limitations with respect to Forms as are set forth above.

(i) The obligations of the Company under this Section 13 shall survive the payment or transfer of any Participating Debt Note and the provisions of this Section 13 shall also apply to successive transferees of the Participating Debt Notes.

#### SECTION 14. REGISTRATION; EXCHANGE; SUBSTITUTION OF PARTICIPATING DEBT NOTES.

14.1 Registration of Participating Debt Notes. The Participating Debt Note Agent shall keep at its principal executive office a register for the registration and registration of transfers of beneficial interests in the Participating Debt Notes. The name and address of each holder of beneficial interest in one or more Participating Debt Notes, each transfer thereof and the name and address of each transferee of beneficial interest in one or more Participating Debt Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name a beneficial interest in any Participating Debt Note shall be registered shall be deemed and treated as the owner and holder of beneficial interest thereof for all purposes hereof, and the Participating Debt Note Agent shall not be affected by any notice or knowledge to the contrary. The entitlement to all rights and payments associated with the Participating Debt Notes shall be determined solely pursuant to the register maintained by the Participating Debt Note Agent pursuant to this Section 14.1. In no event shall the possession of a beneficial interest in a Participating Debt Note without a corresponding entry in such register grant the holder of such beneficial interest in such Participating Debt Note any payment or control rights with respect to such Participating Debt Note.

#### 14.2 Transfer and Exchange of Participating Debt Notes.

(a) Except as otherwise set forth in this Section 14.2, a Participating Debt Note may be transferred, in whole and not in part, only to a successor Participating Debt Note Agent.

(b) Upon notice of transfer, in substantially the form of Exhibit 6, of any beneficial interest in the Participating Debt Notes delivered to the Participating Debt Note Agent at the address and to the attention of the designated officer (all as specified in Section 19) for registration of transfer duly authorized in writing, any holder of such beneficial interest in such Participating Debt Notes may at any time transfer to one or more transferees all or a portion of such beneficial interest in such Participating Debt Note and its rights and obligations under this Agreement and the Participating Debt Documents, in an aggregate principal amount equal to the unpaid principal amount of such beneficial interest in such Participating Debt Note; provided that any such transfer shall be subject to the following conditions:

(i) any beneficial interest in any Participating Debt Note shall not be transferred in denominations of less than US\$/B\$[10,000,000] (in the applicable currency) (or such lesser amount consented to by the Company), provided that, if necessary to enable the registration of transfer by a holder of its entire holding of such beneficial interest in such Participating Debt Notes, such transfer may be in a denomination of less than US\$/B\$[10,000,000] (in the applicable currency); and

(ii) each partial transfer shall be made as a transfer of a proportionate part of all the transferring holder's rights and obligations under such beneficial interest in such Participating Debt Note and the other Participating Debt Documents.

(c) Each such transferred beneficial interest in such Participating Debt Note shall bear interest from the date to which interest shall have been paid on the transferred beneficial interest in such Participating Debt Note. The Company shall pay any stamp tax or governmental charge imposed in respect of any transfer of beneficial interest in Participating Debt Notes. For purposes of the transfer of the record ownership of the beneficial interest in Participating Debt Notes, the Participating Debt Note Agent will (i) accept from holders supporting documentation, satisfactory to the Company and Participating Debt Note Agent (but in any event to the name, address and payment instructions of the new holder and, as may be required by law or the Participating Debt Note Agent, proof of ownership and signing authority of the person signing the transfer instructions), with instructions for the transfer of the ownership of the beneficial interest in Participating Debt Notes; (ii) make the necessary changes to the register maintained by the Participating Debt Note Agent in respect of the beneficial interest in Participating Debt Notes pursuant to Section 14.1 to reflect the transfer of such beneficial interest in such Participating Debt Notes; and (c) promptly after request therefor, provide the Company with a list of all of the holders of the beneficial interest in Participating Debt Notes and their addresses.

14.3 Replacement of Participating Debt Notes. Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 19) of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of any Participating Debt Note (which evidence shall be notice from the Participating Debt Note Agent of such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it, or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter the Company at its own expense shall execute and deliver, in lieu thereof, a new Participating Debt Note to the Participating Debt Note Agent, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Participating Debt Note or dated the date of such lost, stolen, destroyed or mutilated Participating Debt Note if no interest shall have been paid thereon.

14.4 Global Issue of Notes. (a) Notwithstanding anything to the contrary contained in this Agreement, the Company and the Purchasers agree and acknowledge that the Participating Debt Notes will not be issued in certificated form to each Purchaser thereof.

(b) Subject to the terms and conditions set forth herein, the Company shall issue (i) a single US\$ Participating Debt Note and (ii) a single B\$ Participating Debt Note, each in the applicable aggregate principal amount set out in Schedule A in the name of the Participating Debt Note Agent for and on behalf of the applicable Purchasers thereof.

(c) The Participating Debt Note Agent shall maintain a register in the form and manner set out in Section 14.1 which sets out the name and address of each Purchaser of a beneficial interest in Participating Debt Notes as well as the currency and aggregate principal amount purchased.

#### SECTION 15. PAYMENTS ON PARTICIPATING DEBT NOTES.

15.1 Place of Payment. Subject to Section 15.2, payments of principal and interest becoming due and payable on the Participating Debt Notes shall be made in accordance with Section 8.3.

15.2 Home Office Payment. Notwithstanding anything contained in Section 15.1 or in any Participating Debt Note to the contrary, the Participating Debt Note Agent will pay all sums becoming due on such Participating Debt Note, without the presentation or surrender of such Participating Debt Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Participating Debt Note, such Purchaser shall surrender such Participating Debt Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 15.1. Prior to any sale or other disposition of any Participating Debt Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or, through the Participating Debt Note Agent, surrender such Participating Debt Note to the Company in exchange for a new Participating Debt Note or Participating Debt Notes pursuant to Section 14.2.

#### SECTION 16. EXPENSES, INDEMNITY, ETC.

16.1 Costs and Expenses. The Company shall pay on demand the reasonable and documented costs and expenses incurred by each Agent, the Purchasers and each other holder of a beneficial interest in a Participating Debt Note in connection with the preparation,

execution, delivery, administration, modification and amendment of this Agreement, the other Participating Debt Documents and the other Transaction Documents and the other documents to be delivered hereunder, including, (a) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (b) the reasonable Attorney Costs of one U.S. law firm and one Bahamian law firm for the Purchasers and each other holder of a beneficial interest in a Participating Debt Note with respect thereto, and one U.S. law firm and one Bahamian law firm for each Agent with respect to advising them as to their respective rights and responsibilities under this Agreement. The Company further agrees to pay on demand all costs and expenses of the Agents and the holders of beneficial interest in the Participating Debt Notes, if any (including Attorney Costs of one U.S. law firm and one Bahamian law firm for the holders of beneficial interests in the Participating Debt Notes, and one U.S. law firm and one Bahamian law firm for each Agent), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the other Participating Debt Documents and the other Transaction Documents and the other documents to be delivered hereunder, including, without limitation, reasonable Attorney Costs in connection with the enforcement of rights under this Section 16.1.

16.2 Indemnity. Whether or not the transactions contemplated hereby are consummated:

(a) The Company shall pay, indemnify, and hold each holder of beneficial interest in Participating Debt Notes, the Agents and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact and Affiliates (each, an “Indemnified Person”) harmless from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, charges, expenses or disbursements (including Attorney Costs of (x) one U.S. law firm and one Bahamian law firm for the Indemnified Persons (other than the Agents and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact and Affiliates) taken as a whole, (y) in the case of an actual or reasonably perceived conflict of interest, where the Indemnified Person affected by such conflict informs the Company of such conflict and thereafter retains its own counsel, another firm of counsel for each such affected Indemnified Person in each relevant jurisdiction, and (z) one U.S. law firm and one Bahamian law firm for each Agent) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Participating Debt Notes or the termination, resignation or replacement of any Agent or any holder of beneficial interest in Participating Debt Notes) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any other Transaction Document, including the Security Documents and any other document or instrument contemplated by or referred to herein or therein, or the transactions contemplated hereby and thereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to the exercise by any Secured Party of any of its respective rights or remedies under any of the Participating Debt Documents, and any investigation, litigation or proceeding (including any bankruptcy, insolvency, reorganization or other similar proceeding or appellate proceeding) related to this Agreement, the other Participating Debt Documents or any other Transaction Document or the Participating Debt Notes, or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the “Indemnified Liabilities”); provided that the Company shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities which are determined by a court of competent

jurisdiction by a final non-appealable judgment to have resulted from the gross negligence, fraud or willful misconduct of such Indemnified Person.

(b) (i) Without in any way limiting the generality of the other provisions contained in this Section 16.2, the Company agrees to defend, protect, indemnify, save and hold harmless each Indemnified Person, whether as beneficiary of any of the Security Documents, as a mortgagee in possession, or as successor-in-interest to the Company by foreclosure deed or deed in lieu of foreclosure, or otherwise, from and against any and all liabilities, obligations, losses, damages (including foreseeable and unforeseeable consequential damages and punitive claims), penalties, fees, claims, actions, judgments, suits, costs, disbursements (including, Attorney Costs and consultants' fees and disbursements) and expenses (collectively, "Losses") of any kind or nature whatsoever that may at any time be incurred by, imposed on, asserted or awarded against any such Indemnified Person directly or indirectly based on, or arising out of or resulting from, (A) the actual or alleged presence of Hazardous Materials on, in, under or affecting all or any portion of the Land whether or not the same originates or emanates from the Land or any property adjoining or adjacent to the Land or from properties at which any Hazardous Materials generated, stored or handled by the Company were Released or disposed of, (B) any Environmental Action relating to the Land or the Airport or (C) the exercise of any Secured Party's rights under any of the provisions of the Security Documents (the "Indemnified Matters"), whether any of the Indemnified Matters arise before or after foreclosure of any of the Security Interests or other taking of title to all or any portion of the Collateral by any Secured Party, except to the extent that any such Indemnified Matters are determined by a court of competent jurisdiction by a final non-appealable judgment to have resulted from the gross negligence, fraud or willful misconduct of such Indemnified Person.

(ii) In no event shall any site visit, observation, or testing by any Indemnified Person (or any representative of any such Person) be deemed to be a representation or warranty that Hazardous Materials are or are not present in, on, or under, any property, or that there has been or shall be compliance with any Environmental Law. Neither the Company nor any other Person is entitled to rely on any site visit, observation, or testing by any Indemnified Person. No Indemnified Person owes any duty of care to protect the Company or any other Person against, or to inform the Company or any other Person of, any Hazardous Materials or any other adverse condition affecting the Property of the Company or the Airport, other than any such Hazardous Materials or other adverse condition that such Indemnified Person actually introduced to the Property of the Company or the Airport. No Indemnified Person shall be obligated to disclose to the Company or any other Person any report or findings made as a result of, or in connection with, any site visit, observation, or testing by any Indemnified Person.

(c) The obligations in this Section 16.2 shall survive payment of the Participating Debt Notes and all other Obligations under the Participating Debt Documents, and the resignation or removal of any Agent. All amounts owing under this Section 16.2 shall be paid within thirty (30) days after demand.

(d) To the extent that any undertaking in the preceding paragraphs of this Section 16.2 may be unenforceable because it is violative of any applicable Law or public policy,

the Company will contribute the maximum portion that it is permitted to pay and satisfy under applicable Law to the payment and satisfaction of such undertaking.

16.3 Certain Taxes. The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or the execution and delivery or the enforcement of any of the Participating Debt Notes in the United States or The Bahamas or any other jurisdiction of organization of the Company or any other jurisdiction where the Company has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement or of any of the Participating Debt Notes, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Company pursuant to this Section 16, and will save each holder of a beneficial interest in a Participating Debt Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder.

16.4 Survival. The obligations of the Company under this Section 16 will survive the payment or transfer of any Participating Debt Note, the enforcement, amendment or waiver of any provision of this Agreement or the Participating Debt Notes, and the termination of this Agreement.

#### SECTION 17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

17.1 Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Participating Debt Notes, the purchase or transfer by any Purchaser of any Participating Debt Note or portion thereof or interest therein and the payment of any Participating Debt Note, and may be relied upon by any subsequent holder of a beneficial interest in a Participating Debt Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a beneficial interest in a Participating Debt Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement and the other Participating Debt Documents shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement, the Participating Debt Notes and the other Participating Debt Documents embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

#### SECTION 18. AMENDMENT AND WAIVER.

18.1 Requirements. This Agreement and the Participating Debt Notes may be amended, and the observance of any term hereof or of the Participating Debt Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders and, to the extent that its rights or obligations may be affected thereby, the Agent party thereto, except that:



(a) no amendment or waiver of any of the provisions of Section 1, Section 2, Section 3, Section 4, Section 5, Section 8, Section 9 or Section 21, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and

(b) no such amendment or waiver may, without the written consent of the holder of each beneficial interest in each Participating Debt Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest on, the Participating Debt Notes, (ii) change the percentage of the principal amount of the Participating Debt Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend Section 8 hereof or Section 12.1(a) or the last paragraph of Section 12 or Section 13, this Section 18, Section 22 or Section 25.7 hereof.

18.2 Solicitation of Holders of Beneficial Interest in Participating Debt Notes. The Company will provide the Participating Debt Note Agent with sufficient information, sufficiently far in advance of the date a decision is required, to enable each holder of a beneficial interest in Participating Debt Notes to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions of the Participating Debt Notes or any other Participating Debt Document. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 18 to the Participating Debt Note Agent promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Participating Debt Notes.

18.3 Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 18 applies equally to the Participating Debt Note Agent and all holders of beneficial interests in the Participating Debt Notes and is binding upon them and upon each future holder of any beneficial interest in any Participating Debt Note and upon the Company without regard to whether such Participating Debt Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any beneficial interest in any Participating Debt Note nor any delay in exercising any rights hereunder or under any Participating Debt Note shall operate as a waiver of any rights of any holder of such beneficial interest in such Participating Debt Note. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

18.4 Participating Debt Notes Held by Company, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Participating Debt Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Participating Debt Notes, or have directed the taking of any action provided herein or in the Participating Debt Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of the Participating Debt Notes then outstanding, all legal and beneficial interests or holdings of the

Company or any of its Affiliates in respect of the Participating Debt Notes shall not be taken into account.

#### SECTION 19. NOTICES; ENGLISH LANGUAGE.

19.1 Notices; English Language. All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized international commercial delivery service (charges prepaid), or (b) by a recognized international commercial delivery service (with charges prepaid). Any such notice must be sent:

(A) if to a Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company and the Participating Debt Note Agent in writing;

(B) if to any other holder of any beneficial interest in any Participating Debt Note, to such holder at such address as such other holder shall have specified to the Company and the Participating Debt Note Agent in writing;

(C) if to the Company, to the Company at Nassau Airport Development Company Limited, P.O. Box AP 59229, Administrative Offices, Lynden Pindling International Airport, Nassau, the Commonwealth of The Bahamas, to the attention of the Chief Financial Officer or at such other address as the Company shall have specified to the holder of each beneficial interest in each Participating Debt Note and the Participating Debt Note Agent in writing; or

(D) if to the Participating Debt Note Agent, to the Participating Debt Note Agent at its address at Goodman's Bay Corporate Centre, P.O. Box N-3933, Nassau, the Commonwealth of The Bahamas, to the attention of Lillian A. Russell and Linda G. Williams, or at such other address as the Participating Debt Note Agent shall have specified to the holder of each beneficial interest in each Participating Debt Note and the Company in writing.

Notices under this Section 19 will be deemed given only when actually received.

Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof.

#### SECTION 20. REPRODUCTION OF DOCUMENTS.

20.1 Reproduction of Documents. This Agreement and all documents relating thereto, including (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Participating Debt Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any



original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable Law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit the Company or any other holder of a beneficial interest in Participating Debt Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

## SECTION 21. CONFIDENTIAL INFORMATION.

21.1 Confidential Information. For the purposes of this Section 21, “Confidential Information” means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser’s behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Participating Debt Notes), (ii) its auditors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with this Section 21, (iii) any other holder of any beneficial interest in any Participating Debt Note, (iv) any Institutional Investor to which it sells or offers to sell such Participating Debt Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser’s Participating Debt Notes or this Agreement. Each holder of a beneficial interest in a Participating Debt Note, by its acceptance

of a Participating Debt Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a beneficial interest in a Participating Debt Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying this Section 21.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a beneficial interest in a Participating Debt Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 21, this Section 21 shall not be amended thereby and, as between such Purchaser or such holder and the Company, this Section 21 shall supersede any such other confidentiality undertaking.

## SECTION 22. SUBSTITUTION OF PURCHASER.

22.1 Substitution of Purchaser. Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the beneficial interest in the Participating Debt Notes that it has agreed to purchase hereunder, by written notice to the Company and the Participating Debt Note Agent, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and each other Participating Debt Document to which such Purchaser is a party and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representation set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Participating Debt Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of beneficial interest in the Participating Debt Notes under this Agreement.

## SECTION 23. THE PARTICIPATING DEBT NOTE AGENT AND SUBORDINATED COLLATERAL AGENTS.

23.1 Appointment and Authorization. (a) Each holder of a beneficial interest in a Participating Debt Note hereby appoints and authorizes each of the Participating Debt Note Agent and Subordinated Collateral Agents to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement and the other Participating Debt Documents to which such Agent is a party as are delegated to such Agent by the terms hereof or thereof, together with such powers and discretion as are reasonably incidental thereto. In the case of the Subordinated Collateral Agents, any advice, concurrence, consent, direction, instruction, request or other action permitted or required by this Agreement to be given or taken

by the Required Holders to any Subordinated Collateral Agent shall be given or made through the Participating Debt Note Agent, which shall then direct the applicable Subordinated Collateral Agent accordingly. As to any matters not expressly provided for by this Agreement (including enforcement or collection of the Participating Debt Notes), each of the Participating Debt Note Agent and Subordinated Collateral Agents shall not be required to exercise any discretion or take any action, but each shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Holders, and such instructions shall be binding upon all holders of beneficial interests in Participating Debt Notes; provided that such Agent shall not be required to take any action that falls outside of its obligations specifically set forth herein or in the Participating Debt Documents or that exposes such Agent to personal liability or that is contrary to this Agreement, any other Participating Debt Document or applicable Law. Each of the Participating Debt Note Agent and Subordinated Collateral Agents agrees to give to each holder of a beneficial interest in Participating Debt Notes prompt notice of each notice given to it by the Company pursuant to the terms of this Agreement.

(b) The provisions of this Section 23 are solely for the benefit of each of the Participating Debt Note Agent and Subordinated Collateral Agents and the holders of beneficial interests in Participating Debt Notes, and the Company shall not have rights as a third party beneficiary of any of such provisions.

23.2 Delegation of Duties. Each of the Participating Debt Note Agent and Subordinated Collateral Agents may perform any and all of its duties and exercise its rights and powers hereunder or under any other Participating Debt Document by or through any one or more sub agents appointed by such Agent, accountants or attorneys and such Agent shall not be responsible for any misconduct or negligence of such sub agents, accountants or attorneys appointed by such Agent with due care; provided that such Agent shall not be released from its obligations to perform its express duties specified hereunder. Such Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Agent-Related Persons. Each such sub agent and the Agent-Related Persons of such Agent shall be entitled to the benefits of all provisions of this Section 23 and Sections 16 and 25 (as though such sub-agents were the “Participating Debt Note Agent,” “Offshore Subordinated Collateral Agent” or “Onshore Subordinated Collateral Agent,” as applicable under the Participating Debt Documents) as if set forth in full herein with respect thereto.

23.3 Liability of the Agents. (a) The duties of each of the Participating Debt Note Agent and Subordinated Collateral Agents hereunder and under the other Participating Debt Documents to which each is a party are solely mechanical and administrative in nature and such Agent shall not have any duties or obligations except those expressly set forth herein and in the other Participating Debt Documents to which it is a party. Without limiting the generality of the foregoing, each of the Participating Debt Note Agent and Subordinated Collateral Agents:

- (i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing; and

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Participating Debt Documents that such Agent is required to exercise upon the written direction of the Required Holders (or such other number or percentage of the holders of beneficial interests in Participating Debt Notes as shall be expressly provided for herein or in the other Participating Debt Documents); provided that such Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent or any of its Affiliates to liability or that is contrary to any Participating Debt Document or applicable Law.

(b) Each of the Participating Debt Note Agent and Subordinated Collateral Agents shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Holders (or such other number or percentage of the holders of beneficial interests in Participating Debt Notes as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 18) or (ii) in the absence of its own gross negligence or willful misconduct as shall be conclusively determined by a court of competent jurisdiction.

(c) Each of the Participating Debt Note Agent and Subordinated Collateral Agents shall not be responsible for or have any duty to ascertain or inquire into (i) the accuracy of any statement, warranty or representation made in or in connection with this Agreement or any other Participating Debt Document, (ii) the accuracy or the contents of any certificate, direction, opinion, resolution, instrument, consent, approval, report or other document delivered hereunder or thereunder or in connection herewith or therewith, nor shall such Agent have any responsibility for filing or recording any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or Lien granted to it under any Security Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Participating Debt Document or any other agreement, instrument or document or the perfection or priority of any Lien or security interest created or purported to be created by the Security Documents or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to such Agent. None of the Participating Debt Note Agent and Subordinated Collateral Agents nor any of their Agent-Related Persons shall be responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any of the Participating Debt Note Agent and Subordinated Collateral Agents, the Company or any other Person given in, pursuant to or in connection with any Participating Debt Document or the Private Placement Memorandum.

(d) Nothing in this Agreement or any other Participating Debt Document shall require any of the Participating Debt Note Agent and Subordinated Collateral Agents to carry out any “know your customer” or other checks in relation to any person on behalf of any holder of a beneficial interest in a Participating Debt Note and each holder of such beneficial interest in such Participating Debt Note confirms to each of the Participating Debt Note Agent and Subordinated

Collateral Agents that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by such Agent.

(e) In no event shall any of the Participating Debt Note Agent and Subordinated Collateral Agents be liable for any special, indirect or consequential loss or damage of any kind whatsoever (including lost profits), even if such Agent has been advised of such loss or damage and regardless of the form of action.

(f) Each of the Participating Debt Note Agent and Subordinated Collateral Agents shall not be required to expend or risk its own funds or otherwise incur financial liability for the performance of any of its duties hereunder or under any Participating Debt Document.

(g) Each of the Participating Debt Note Agent and Subordinated Collateral Agents shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder or under any Participating Debt Document by reason of any occurrence beyond the control of such Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(h) The authorizations, rights, privileges, protections and benefits given to the Participating Debt Note Agent and the Subordinated Collateral Agents are extended to, and shall be enforceable by any Agent under any Participating Debt Document to which it is a party. In the event any claim of inconsistency between this Agreement and the terms of any Participating Debt Document arises with respect to the duties, liabilities and rights of the Participating Debt Note Agent and the Subordinated Collateral Agents, the terms of this Agreement shall control.

23.4 Reliance. Each of the Participating Debt Note Agent and the Subordinated Collateral Agents shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by such Agent. Each of the Participating Debt Note Agent and the Subordinated Collateral Agents shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document (a) if such action would, in the opinion of such Agent, be contrary to applicable Law or the terms of any Participating Debt Document, (b) if such action is not specifically provided for in the Participating Debt Documents to which such Agent is a party, and it shall not have received such advice or concurrence of the Required Holders as it deems appropriate, (c) if in connection with the taking of any such action that would constitute the making of a payment due under any Material Project Contract pursuant to the terms of any Consent Agreement, it shall not first have received from any or all of the other Secured Parties funds equal to the amount of such payment, and (d) unless, if it so requests, the Participating Debt Note Agent or applicable Subordinated Collateral Agent shall first be indemnified to its satisfaction by the holders of beneficial interests in Participating Debt Notes against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each of the Participating Debt Note Agent and the



Subordinated Collateral Agents shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Required Holders, as the case may be, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Secured Parties. If the Participating Debt Note Agent or any Subordinated Collateral Agent requests instructions from the Required Holders with respect to any act or action (including failure to act) in connection with this Agreement or any other Participating Debt Document, such Agent shall be entitled to refrain from such act or taking such action unless and until such Agent shall have received instructions from the Required Holders; and such Agent shall not incur liability to any Person by reason of so refraining.

23.5 Notice of Default. Neither the Participating Debt Note Agent nor the Subordinated Collateral Agents shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except, in the case of the Participating Debt Note Agent, with respect to defaults in the payment of principal, interest and fees required to be paid to such Agent for the account of the holders of beneficial interests in Participating Debt Notes, unless an Authorized Officer of such Agent shall have received written notice from any holder of a beneficial interest in a Participating Debt Note or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “Notice of Default.” If the Participating Debt Note Agent or an Authorized Officer of any Subordinated Collateral Agent receives any such notice of the occurrence of a Default or an Event of Default, it shall give notice thereof to the holders of beneficial interests in Participating Debt Notes. Each of the Participating Debt Note Agent and the Subordinated Collateral Agents shall take such action with respect to such Default or Event of Default as may be requested by the Required Holders in accordance with this Section 23 upon the provision by such holders of the beneficial interests in the Participating Debt Notes to such party of indemnities satisfactory to such party; provided that unless and until the Participating Debt Note Agent or such Subordinated Collateral Agent, as the case may be, has received any such request, such Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the holders of beneficial interests in Participating Debt Notes.

23.6 Credit Decision. (a) Each holder of a beneficial interest in a Participating Debt Note confirms to each of the Participating Debt Note Agent and Subordinated Collateral Agents and each Agent-Related Person that it (i) possesses such knowledge and experience in financial and business matters that it is capable, without reliance on such Agent or any Agent-Related Persons, of evaluating the merits and risks (including tax, legal, regulatory, accounting and other financial matters) of entering into this Agreement and in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risk and (iii) has determined that entering into this Agreement is suitable and appropriate for it.

(b) Each holder of a beneficial interest in a Participating Debt Note acknowledges that it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Participating Debt Documents and that it has, independently and without reliance upon any of the Participating Debt Note Agent and Subordinated Collateral Agents or any Agent-Related Persons and based on such documents and information, as it has deemed appropriate, made its

own credit analysis and decision to enter into this Agreement. Each holder of a beneficial interest in a Participating Debt Note also acknowledges that it will, independently and without reliance upon any of the Participating Debt Note Agent and Subordinated Collateral Agents or any Agent-Related Persons and based on such documents and information as it shall from time to time deem appropriate, continue to be solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Participating Debt Documents, including but not limited to:

- (i) the financial condition, status and capitalization of the Company;
- (ii) the legality, validity, effectiveness, adequacy or enforceability of this Agreement and each other Transaction Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (iii) determining compliance or non-compliance with any condition hereunder to the purchase of the Participating Debt Notes; and
- (iv) the adequacy, accuracy and/or completeness of the Private Placement Memorandum and any other information delivered by any of the Participating Debt Note Agent and Subordinated Collateral Agents and any other holder of beneficial interest in Participating Debt Notes or by any other Person under or in connection with this Agreement or any other Participating Debt Document, the transactions contemplated by this Agreement and the other Participating Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Participating Debt Document.

23.7 Indemnification of Participating Debt Note Agent and Subordinated Collateral Agents. (a) Whether or not the transactions contemplated hereby are consummated, the holders of beneficial interests in Participating Debt Notes shall indemnify upon demand and hold harmless each of the Participating Debt Note Agent, the Subordinated Collateral Agents and their respective Agent-Related Persons (to the extent not reimbursed by or on behalf of the Company and without limiting the obligation of the Company to do so), *pro rata* in accordance with the aggregate principal amount of the Participating Debt Notes held by such holder of the beneficial interest in the Participating Debt Notes from and against any and all Indemnified Liabilities; provided, however, that no holder of a beneficial interest in Participating Debt Notes shall be liable for the payment to such Agent or its Agent-Related Persons of any portion of such Indemnified Liabilities which are determined by a court of competent jurisdiction by a final non-appealable judgment to have resulted solely from such Person's gross negligence or willful misconduct.

(b) Without limitation of the foregoing, each holder of a beneficial interest in a Participating Debt Note shall reimburse each of the Participating Debt Note Agent and the Subordinated Collateral Agents upon demand for its ratable share as provided above of any costs or out-of-pocket expenses (including Attorney Costs) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement

(whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Transaction Document or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Company.

(c) The undertakings of the holders of beneficial interests in Participating Debt Notes in this Section 23.7 shall survive the payment of all Obligations hereunder and the resignation or replacement of the Participating Debt Note Agent or any Subordinated Collateral Agent.

**23.8 Individual Capacities.** (a) Any Person serving as any of the Participating Debt Note Agent or Subordinated Collateral Agents hereunder shall have the same rights and powers in its capacity as a holder of a beneficial interest in a Participating Debt Note as any other holder of a beneficial interest in Participating Debt Notes and may exercise the same as though it were not such Agent and the term “holder” or “holders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as such Agent hereunder in its individual capacity. Each such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if such Person were not such Agent hereunder and without any duty to account therefor to the holders of beneficial interests in Participating Debt Notes.

(b) Each holder of a beneficial interest in a Participating Debt Note understands that Citibank, N.A. and its Affiliates (collectively, “Citibank”) and CIBC Trust Company (Bahamas) Limited and its Affiliates (collectively, “CIBC”) are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (such services and businesses are collectively referred to in this Section 23.8 as “Activities”) and may engage in the Activities with or on behalf of one or more of the Company or its respective Affiliates. Furthermore, each of Citibank and CIBC may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for its own account or on behalf of others (including the Company and its Affiliates and including holding, for its own account or on behalf of others, equity and similar positions in the Company or its Affiliates), including trading in or holding long, short or derivative positions in securities, loans or other financial products of the Company or its Affiliates. Each holder of a beneficial interest in a Participating Debt Note understands and agrees that in engaging in the Activities, each of Citibank and CIBC may receive or otherwise obtain information concerning the Company or its Affiliates (including information concerning the ability of the Company to perform its Obligations hereunder and under the other Transaction Documents), which information may not be available to any of the holders of beneficial interests in Participating Debt Notes that are not Affiliates of Citibank or CIBC, as the case may be. Except for documents expressly required by any Participating Debt Document to be transmitted by any of the Participating Debt Note Agent or Subordinated Collateral Agents to the holders of beneficial interests in Participating Debt Notes, neither the applicable Agent nor any other member of Citibank or CIBC, as applicable, shall have any duty or responsibility to provide, and shall not be liable for the failure to provide, any holder of a beneficial interest in a Participating Debt Note with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Company or any Affiliate of



the Company that may come into the possession of such Agent or any Affiliate thereof or any employee or agent of any of the foregoing.

(c) Each holder of a beneficial interest in a Participating Debt Note further understands that there may be situations where parts of Citibank or CIBC's customers (including the Company or its Affiliates), as applicable, either now have or may in the future have interests or take actions that may conflict with the interests of any one or more of the holders of Participating Debt Notes (including the beneficial interests of the holders of Participating Debt Notes hereunder and under the other Participating Debt Documents). Each holder of a beneficial interest in a Participating Debt Note agrees that (1) Citibank is not required to restrict its activities as a result of its acting as the Offshore Subordinated Collateral Agent (or in any other capacity) hereunder and under the other Participating Debt Documents and (2) CIBC is not required restrict its activities as a result of its acting as the Participating Debt Note Agent and the Onshore Subordinated Collateral Agent (or in any other capacity) hereunder and under the other Participating Debt Documents, and that Citibank and CIBC may undertake any Activities without further consultation with or notification to any holder of a beneficial interest in Participating Debt Notes. None of (i) this Agreement nor any other Participating Debt Document, (ii) the receipt by Citibank or CIBC of Confidential Information nor (iii) any other matter shall give rise to any fiduciary, equitable or contractual duties (including without limitation any duty of trust or confidence) owing by any of the Participating Debt Note Agent or Subordinated Collateral Agents or any member of Citibank or CIBC to any holder of a beneficial interest in Participating Debt Notes that would prevent or restrict Citibank or CIBC from acting on behalf of customers (including the Company or its Affiliates) or for its own account. Each holder of a beneficial interest in a Participating Debt Note agrees that none of the Participating Debt Note Agent and the Subordinated Collateral Agents nor any member or business of Citibank or CIBC is under a duty to disclose to any holder of beneficial interest in Participating Debt Notes or use on behalf of the holders of beneficial interests in Participating Debt Notes any information whatsoever about or derived from the Activities or to account for any revenue or profits obtained in connection with the Activities.

23.9 Successor Agents. (a) Subject to the appointment and acceptance of a successor as provided below, each of the Participating Debt Note Agent and the Subordinated Collateral Agents may resign at any time by giving notice thereof to the other Agents, the holders of beneficial interests in Participating Debt Notes and the Company, and each such Agent may be removed at any time with or without cause by the Required Holders. Upon any such resignation or removal, the Required Holders shall have the right to appoint a successor to the applicable Agent, which successor Agent shall, unless an Event of Default has occurred and is continuing, be reasonably acceptable to the Company which consent shall not be unreasonably withheld, delayed, conditioned or denied. If no successor Agent shall have been appointed by the Required Holders, and shall have accepted such appointment with thirty (30) days after the resigning Agent's giving of notice of resignation or the giving of any notice of removal of any such Agent, then the resigning Agent or Agent being removed, as the case may be, may appoint a successor to such Agent which successor Agent shall, unless an Event of Default has occurred and is continuing, be reasonably acceptable to the Company which consent shall not be unreasonably withheld, delayed, conditioned or denied, or may apply, at the expense of the Company, to a court of competent jurisdiction for the appointment of a successor Agent. If any Subordinated Collateral Agent shall resign or be removed pursuant to the foregoing provisions,

upon the acceptance of appointment by a successor Subordinated Collateral Agent hereunder, the former Subordinated Collateral Agent shall deliver all Collateral then in its possession to the successor Subordinated Collateral Agent. Upon the acceptance of its appointment as a successor Agent hereunder, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of such resigning or removed Agent, and such resigning Agent or removed Agent shall be discharged from its duties and obligations hereunder.

(b) After any Agent's resignation or removal, the provisions of this Section 23 and of Sections 16.1 and 16.2 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Agent.

23.10 Participating Debt Note Holder Action, Notice, Etc. (a) For all purposes of this Agreement and the other Participating Debt Documents, action by the Participating Debt Note Agent in accordance with the terms of this Agreement shall constitute action by the holders of beneficial interests in Participating Debt Notes.

(b) (i) For all purposes of this Agreement and the other Participating Debt Documents, the Participating Debt Note Agent shall act as agent for the Purchasers, including for the following purposes: (A) to give or receive any notice, certificate, request, demand or other communication permitted or required to be given or received hereunder or thereunder, (B) to vote the Obligations outstanding under this Agreement at any meeting of the holders of beneficial interests in Participating Debt Notes and the Company hereunder and (C) otherwise to take any action required or permitted to be taken by the relevant holders of Participating Debt Notes hereunder or thereunder. None of the holders of beneficial interests in Participating Debt Notes shall by itself or in its own name be entitled to give or receive any notice, certificate, request, demand or other communication permitted or required to be given or received under this Agreement or any Participating Debt Document to or by the Company or its Affiliates.

(ii) To the extent that any of the holders of beneficial interests in Participating Debt Notes shall be entitled to grant any consent or approval, or cast any vote whatsoever, all of such notices, certificates, requests, demands or other communications in respect of any such parties only shall be given or received (as the case may be), any such votes shall be cast and all of such actions shall be taken by the Participating Debt Note Agent.

23.11 Treatment of Holders of Participating Debt Notes. Each of the Participating Debt Note Agent and the Subordinated Collateral Agents may treat the holders of beneficial interests in Participating Debt Notes as the holders of Obligations and as the absolute owners thereof for all purposes under this Agreement and the other Participating Debt Documents unless such Agent shall receive notice to the contrary from such holder of beneficial interests in Participating Debt Notes.

23.12 Authorization to Enter Into Refinancing Amendments. Each Purchaser authorizes and directs the Agents to enter into each Refinancing Amendment to which it is a party, on behalf of and for the benefit of such Purchaser.

## SECTION 24. SECURITY.

24.1 Security. The Participating Debt Notes are secured by the Collateral as and to the extent set forth in the Security Documents.

## SECTION 25. MISCELLANEOUS.

25.1 Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a beneficial interest in a Participating Debt Note) whether so expressed or not.

25.2 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

25.3 Construction, Etc. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

25.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

25.5 Governing Law. In accordance with Section 5-1401 of the General Obligations Law of the State of New York, this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

### 25.6 Jurisdiction and Process; Waiver of Jury Trial.

(a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement in connection with or in respect of the US\$ Participating Debt Notes. The Company irrevocably submits to the non-exclusive jurisdiction of any court sitting in the Commonwealth of The Bahamas, over any suit, action or proceeding arising out of or relating to this Agreement in connection with or in respect of the B\$ Participating Debt Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding

brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in clause (a) above brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York or the courts of the Commonwealth of The Bahamas (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) The Company consents to process being served by or on behalf of any holder of a beneficial interest in a Participating Debt Note in any suit, action or proceeding of the nature referred to in Section 25.6(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 19, to [CT Corporation System] in respect of proceedings in any New York or federal court in the United States of America, as its agent for the purpose of accepting service of any process in the State of New York. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices under this clause (c) shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 25.6 shall affect the right of any holder of a beneficial interest in a Participating Debt Note to serve process in any manner permitted by law, or limit any right that the holders of any beneficial interests in any Participating Debt Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) The Company hereby irrevocably appoints [CT Corporation System] (together with its successors and assigns, the "Process Agent") to receive for it, and on its behalf, service of process in the United States.

(f) To the extent that the Company has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Company hereby acknowledges and agrees that the activities contemplated by the provisions of this Agreement and the other Transaction Documents to which it is a party are commercial in nature rather than governmental or public, and therefore irrevocably and unconditionally waives such immunity in respect of its obligations under the Participating Debt Documents to which it is a party and, without limiting the generality of the foregoing, agrees that the waivers set forth in this Section 25.6(f) shall have the fullest scope permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America and are intended to be irrevocable for purposes of such act.

(g) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE PARTICIPATING DEBT NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith OR THEREWITH.

25.7 Obligation to Make Payment in Dollars or Bahamian Dollars. (a) Any payment on account of an amount that is payable hereunder or under the US\$ Participating Debt Notes which is made to or for the account of any holder of a beneficial interest in US\$ Participating Debt Notes in any currency other than Dollars, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under this Agreement or the US\$ Participating Debt Notes only to the extent of the amount of Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the US\$ Participating Debt Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the US\$ Participating Debt Notes or under any judgment or order. As used herein the term "London Banking Day" shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

(b) Any payment on account of an amount that is payable hereunder or under the B\$ Participating Debt Notes which is made to or for the account of any holder of a beneficial interest in B\$ Participating Debt Notes in any currency other than Bahamian Dollars, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under this Agreement or the B\$ Participating Debt Notes only to the extent of the amount of Bahamian Dollars which such holder could purchase in the foreign exchange markets in Nassau, The Bahamas with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the Bahamas Banking Day following receipt of the payment first referred to above. If the amount of Bahamian Dollars that could be so purchased is less than the amount of Bahamian Dollars originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the B\$ Participating Debt Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the B\$ Participating Debt Notes or under any judgment or order. As used

herein the term “Bahamas Banking Day” shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in Nassau, The Bahamas.

25.8 Effect of Restatement. The Company, the Participating Debt Note Agent and the Continuing Purchasers acknowledge and agree that (a) on the Closing Date, this Agreement amends and restates in their entirety the Existing US\$ Participating Debt NPA, the Existing B\$ Participating Debt NPA and the Participating Debt Common Terms Agreement, and this Agreement restates and, where applicable, amends the Existing US\$ Participating Debt NPA, the Existing B\$ Participating Debt NPA and the Participating Debt Common Terms Agreement; (b) on the Closing Date, the Existing Participating Debt Notes of the Continuing Purchasers shall be amended and restated by, and exchanged for, the Participating Debt Notes in their amounts set forth in Schedule A hereto; (c) the execution and effectiveness of this Agreement does not constitute a novation, payment and reborrowing, or termination of the obligations under the Existing US\$ Participating Debt NPA, the Existing B\$ Participating Debt NPA and the Participating Debt Common Terms Agreement as in effect prior to the date hereof; (d) such obligations are in all respects continuing (as amended and restated in full hereby) with only the terms being modified as provided in this Agreement and, in the case of the Existing Participating Debt Notes of the Continuing Purchasers, their Participating Debt Notes; (e) the Security Documents, and the grants of security interests thereunder, remain in full force and effect and are hereby ratified and confirmed; and (f) any Liens in all respects are continuing and in full force and effect and secure the payment of such respective continuing obligations hereunder.

\* \* \* \* \*

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

**NASSAU AIRPORT DEVELOPMENT  
COMPANY LIMITED**

By \_\_\_\_\_

Name:

Title:

By \_\_\_\_\_

Name:

Title:

This Agreement is hereby accepted and  
agreed to as of the date thereof.

**CIBC TRUST COMPANY (BAHAMAS) LIMITED,**  
as Participating Debt Note Agent

By \_\_\_\_\_

Name:

Title:

By \_\_\_\_\_

Name:

Title:

**CIBC TRUST COMPANY (BAHAMAS) LIMITED,**  
as Onshore Subordinated Collateral Agent

By \_\_\_\_\_

Name:

Title:

By \_\_\_\_\_

Name:

Title:

**CITIBANK, N.A.,**  
as Offshore Subordinated Collateral Agent

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

[●],  
as a Purchaser

By \_\_\_\_\_  
Name:  
Title:

[●],  
as a Purchaser

By \_\_\_\_\_  
Name:  
Title:



**SCHEDULE A**

**INFORMATION RELATING TO PURCHASERS**

**(A) CONTINUING PURCHASERS**

Name and Address of Purchaser:

[●]

Address: [●]

Attention: [●]

Tel: [●]

Facsimile: [●]

Email: [●]

Principal Amount of Beneficial Interest in US\$  
Participating Debt Notes to be Purchased:

US\$[●]

All payments by wire transfer of  
immediately available funds to:

[●]

Routing No: [●]

Chips ABA No. [●]

Account Name: [●]

Account No: [●]

SWIFT Code: [●]

Ref: [●]

with sufficient information to identify  
the source and application of such  
funds.

All notices of payments and written  
confirmations of such wire transfers:

Attention: [●]

All other communications:

U.S. Tax Identification Number:

Name and Address of Purchaser:

[●]

Address: [●]

Attention: [●]

Tel: [●]

Facsimile: [●]

Email: [●]

Principal Amount of Beneficial Interest in B\$  
Participating Debt Notes to be Purchased:

B\$[●]

All payments by wire transfer of  
immediately available funds to:

with sufficient information to identify  
the source and application of such  
funds.

All notices of payments and written  
confirmations of such wire transfers:

All other communications:

U.S. Tax Identification Number:

[●]  
Routing No: [●]  
Chips ABA No. [●]  
Account Name: [●]  
Account No: [●]  
SWIFT Code: [●]  
Ref: [●]

Attention: [●]

## (B) NEW PURCHASERS

Name and Address of Purchaser:

[●]

Address: [●]  
Attention: [●]  
Tel: [●]  
Facsimile: [●]  
Email: [●]

Principal Amount of Beneficial Interest in US\$  
Participating Debt Notes to be Purchased:

US\$[●]

All payments by wire transfer of  
immediately available funds to:

with sufficient information to identify  
the source and application of such  
funds.

All notices of payments and written  
confirmations of such wire transfers:

All other communications:

U.S. Tax Identification Number:

[●]  
Routing No: [●]  
Chips ABA No. [●]  
Account Name: [●]  
Account No: [●]  
SWIFT Code: [●]  
Ref: [●]

Attention: [●]

Name and Address of Purchaser:

[●]

Address: [●]

Attention: [●]

Tel: [●]

Facsimile: [●]

Email: [●]

Principal Amount of Beneficial Interest in B\$  
Participating Debt Notes to be Purchased:

**B\$**[●]

All payments by wire transfer of  
immediately available funds to:

[●]

Routing No: [●]

Chips ABA No. [●]

Account Name: [●]

Account No: [●]

SWIFT Code: [●]

Ref: [●]

with sufficient information to identify  
the source and application of such  
funds.

All notices of payments and written  
confirmations of such wire transfers:

Attention: [●]

All other communications:

U.S. Tax Identification Number:

## SCHEDULE B

### DEFINED TERMS AND RULES OF INTERPRETATION

#### 1. Defined Terms

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

“2010 Senior Note Purchase Agreement” shall mean that certain Note Purchase Agreement, dated June 29, 2010, among the Company and certain qualified investors, in which such qualified investors purchased senior secured notes in the aggregate principal amount of up to US\$165,000,000.

“2012 Senior Note Purchase Agreement” shall mean that certain Note Purchase Agreement, dated April 24, 2012, among the Company and certain qualified investors, in which such qualified investors purchased senior secured notes in the aggregate principal amount of up to US\$203,000,000 and up to B\$22,000,000.

“Abandonment” shall mean a period of 90 consecutive days has elapsed during which the Company has ceased operating and maintaining the Airport as required under any of the Material Project Contracts.

“Accounts” shall mean the Offshore Accounts and the Onshore Accounts.

“Activities” shall have the meaning set forth in Section 23.8(b).

“Affiliate” shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to vote 5% or more of the Voting Stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“Agent-Related Persons” shall mean, with respect to any Agent, and any successor appointed pursuant to the terms of the applicable Participating Debt Document, such Agent and respective officers, directors, employees, representatives, attorneys, agents and Affiliates.

“Agents” shall mean, collectively, the Subordinated Collateral Agents, the Participating Debt Note Agent, the New York Depository Bank and the Bahamas Depository Bank.

“Agreement” shall have the meaning provided in Section 1.4.

“Airport” shall mean the Lynden Pindling International Airport in Nassau, The Bahamas.

“Airport Authority” shall mean The Airport Authority, a corporation duly constituted pursuant to the Airport Authority Act of 2000 of The Bahamas and otherwise in accordance with the Laws of The Bahamas.

“Airport Fees and Charges” shall mean all passenger facility charges, aeronautical fees, and or other charges and fees relating to the Airport, as may be amended from time to time in accordance with the Transfer Agreement and, as authorized by the Airport Authority and the Government under Section 7.2(d) of the Airport Authority Act, Chapter 287, Statute of Laws of the Bahamas.

“Amendment No. 1 to the Assignment of Management Agreement (PD)” shall have the meaning set forth in the definition of “Assignment of Management Agreement (Participating Debt)”.

“Amendment No. 1 to the Bahamas Deposit Account Control and Security Agreement (PD)” shall have the meaning set forth in the definition of “Bahamas Deposit Account Control and Security Agreement (Participating Debt)”.

“Amendment No. 1 to the Mortgage by Sub-demise of Lease (PD)” shall have the meaning set forth in the definition of “Mortgage by Sub-demise of Lease (Participating Debt)”.

“Amendment No. 1 to the Mortgage of Assets under the Transfer Agreement (PD)” shall have the meaning set forth in the definition of “Mortgage of Assets under the Transfer Agreement (Participating Debt)”.

“Amendment No. 1 to the New York Deposit Account Control and Security Agreement (PD)” shall have the meaning set forth in the definition of “New York Deposit Account Control and Security Agreement (Participating Debt)”.

“Amendment No. 2 to the Existing B\$ Participating Debt NPA” shall have the meaning set forth in the recitals to this Agreement.

“Anti-Corruption Laws” shall mean any law or regulation in a U.S., Bahamian or any other non-U.S. jurisdiction regarding bribery or any other corrupt activity, including but not limited to the U.S. Foreign Corrupt Practices Act, the Bahamas Prevention of Bribery Act and the U.K. Bribery Act 2010.

“Anti-Money Laundering Laws” shall mean any law or regulation in a U.S., Bahamian or any other non-U.S. jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including but not limited to the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the PATRIOT Act, the Bahamas Financial Transactions Reporting Act and the Bahamas Proceeds of Crime Act.

“Anti-Terrorism Order” shall mean Executive Order 13224 signed by George W. Bush on September 24, 2001 and entitled “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism.”

“Assignment of Management Agreement (Participating Debt)” shall mean that Indenture of Assignment by way of Mortgage, dated March 30, 2009, as amended by Amendment No. 1, dated as of the date hereof (“Amendment No. 1 to the Assignment of Management Agreement (PD)”), in which the Company’s benefits under the Management Agreement are assigned, between the Company, the Airport Authority, Vantage Airport Group, Vantage Airport Group (Bahamas) and the Onshore Subordinated Collateral Agent.

“Assignment of Project Management Agreement (Participating Debt)” shall mean that Indenture of Assignment by way of Mortgage, dated March 30, 2009, in which the Company’s benefits under the Project Management Agreement are assigned, between the Company, the Airport Authority, Vantage Airport Group, Vantage Airport Group (Bahamas) and the Onshore Subordinated Collateral Agent.

“Attorney Costs” shall mean all fees and disbursements of any U.S. law firm or other outside counsel.

“Authorized Officer” shall mean, with respect to (a) any Person other than the Offshore Subordinated Collateral Agent, the Chairman, President, Chief Financial Officer, Treasurer, any Vice President or Secretary of such Person, or any other duly authorized officer of such Person, in each case whose name appears on a certificate of incumbency of such Person delivered in accordance with this Agreement, as such certificate may be amended from time to time, and (b) the Offshore Subordinated Collateral Agent, any Vice President, Assistant Vice President, any Assistant Secretary or any other officer working in the Corporate Trust Office (or the equivalent thereof) customarily performing functions similar to those performed by any of the above designated officers, in each case, having direct responsibility for the administration of this Agreement.

“Available PD Prepayment Amount” means, as of any Quarterly Date, the aggregate amount then on deposit in the Offshore Revenue Account and the Onshore Revenue Accounts (other than proceeds of any Post-Completion Permitted Debt) that are (a) in excess of the greater of (i) US\$5,000,000 and (ii) 5% of the operating revenues of the Company calculated for the immediately preceding fiscal year, and (b) permitted by the terms of the Senior Secured Facilities Documents to be applied by the Company to prepay the Participating Debt Notes pursuant to clause *Twelfth* of Section 2.02(b) of the New York Deposit Account Control and Security Agreement and clause *Twelfth* of Section 2.02(b) of the Bahamas Deposit Account Control and Security Agreement.

“B\$ Participating Debt Notes” shall have the meaning provided in Section 1.2.

“Bahamas” and “The Bahamas” shall mean the Commonwealth of The Bahamas.

“Bahamas Banking Day” shall have the meaning set forth in Section 25.7.

“Bahamas Depository Bank” shall have the meaning specified in the Bahamas Deposit Account Control and Security Agreement (Participating Debt).

“Bahamas Deposit Account Control and Security Agreement” shall mean that certain Bahamas Deposit Account Control and Security Agreement, dated as of March 30, 2009, as amended by Amendment No. 1, dated as of May 21, 2009, and Amendment No. 2, dated as of February 9, 2011, by and among the Company, Citibank, N.A., as the Senior Intercreditor Agent, CIBC Trust Company (Bahamas) Limited, as the Onshore Senior Collateral Agent, and the Royal Bank of Canada, as the Bahamas Depository Bank.

“Bahamas Deposit Account Control and Security Agreement (Participating Debt)” shall mean that certain Bahamas Deposit Account Control and Security Agreement (Participating Debt), dated as of March 30, 2009, as amended by Amendment No. 1, dated as of the date hereof (“Amendment No. 1 to the Bahamas Deposit Account Control and Security Agreement (PD)”), by and among the Company, the Participating Debt Note Agent, the Onshore Subordinated Collateral Agent, and the Bahamas Depository Bank.

“Bahamian Dollars” and the sign “B\$” shall mean the lawful currency of The Bahamas.

“Bahamas Senior Note Purchase Agreement” shall mean that certain Note Purchase Agreement, dated March 20, 2009, among the Company, certain qualified investors and CIBC Trust Company (Bahamas) Limited, as Notes Facility Agent, in which such qualified investors have purchased senior secured notes in the aggregate principal amount of up to B\$30,000,000.

“Blocked Person” means (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under Economic Sanctions Laws or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b).

“Business Day” shall mean any day except Saturday, Sunday and any day which shall be in New York City or The Bahamas, a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close in any such city.

“Business Interruption Insurance Proceeds” shall mean any and all proceeds of any insurance, indemnity, warranty or guaranty payable from time to time with respect to the partial or complete interruption of the operation of the Company or any of its Subsidiaries received by the Company or any of its Subsidiaries.

“Capital Lease” shall mean a lease of (or other agreement conveying the right to use) real or personal Property which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under IFRS.

“Capital Stock” shall mean, with respect to any Person, any and all shares, interests, participations and/or rights in or other equivalents (however designated, whether voting or nonvoting, ordinary or preferred) in the equity or capital of such Person, now or hereafter outstanding, and any and all rights, warrants or options exchangeable for or convertible into any thereof.

“Casualty Event” shall mean an event that causes any portion of the Airport or other Property of the Company or any of its Subsidiaries to be damaged, destroyed or rendered unfit for its intended use for any reason whatsoever.

“Charter Documents” shall mean, with respect to any Person, (a) the articles of incorporation, limited liability company agreement, partnership agreement, or other similar organizational document of such Person, (b) the by-laws or other similar document of such Person, (c) any certificate of designation or instrument relating to the rights of preferred shareholders or other holders of Capital Stock of such Person, and (d) any shareholder rights agreement or other similar agreement.

“Chief Financial Officer” shall mean, as to any Person, the individual performing on behalf of such Person the duties customarily performed by a chief financial officer of a business corporation, whether or not such individual has been appointed as the “chief financial officer” of such Person.

“CIBC” shall have the meaning set forth in Section 23.8(b).

“Citibank” shall have the meaning set forth in Section 23.8(b).

“Closing” shall have the meaning provided in Section 3.1.

“Closing Date” shall have the meaning provided in Section 3.1 and shall mean the date upon which the conditions precedent set forth in Section 4 have been satisfied (or waived by the Purchasers).

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” shall mean all Property that, in accordance with the terms of the Security Documents, is intended to be subject to any Lien in favor of any Subordinated Collateral Agent, acting on behalf of and for the benefit of the Secured Parties (or any sub-agent or other Person acting for or on behalf of the Secured Parties).

“Company” shall have the meaning provided in the preamble to this Agreement.

“Consent Agreement” shall mean a Consent Agreement in substantially the form attached as Exhibit 5 hereto.

“Consolidated” refers to the consolidation of accounts in accordance with IFRS.



“Continuing Purchaser” shall have the meaning set forth in the recitals to this Agreement.

“Controlled Entity” shall mean (a) any of the Subsidiaries of the Company and any of their or the Company’s respective controlled Affiliates and (b) if the Company has a parent company, such parent company and its controlled Affiliates.

“Debt” of any Person shall mean, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person’s business and not overdue by more than 60 days), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with IFRS, recorded as Capital Leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of Hedge Agreements, (h) all Debt of others referred to in clauses (a) through (g) above or clause (i) below and other payment obligations (collectively, “Guaranteed Debt”) guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Guaranteed Debt or to advance or supply funds for the payment or purchase of such Guaranteed Debt, (ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Guaranteed Debt or to assure the holder of such Guaranteed Debt against loss, (iii) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (iv) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above (including Guaranteed Debt) secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

“Debt Service” shall mean, for any period, the sum of all payments of principal (other than any principal amount that is optionally or mandatorily prepaid or required to be prepaid on or before its scheduled date (including as a result of any default)), interest and fees (other than any foreign exchange fees or charges related to currency conversion) paid or required to be paid by the Company in respect of any Debt (including the Senior Secured Facilities, but excluding the Participating Debt Notes), other than fees and costs relating to any Senior Secured Facilities.

“Debt Service Coverage Ratio” shall mean, as at any calculation date, for the period of four (4) consecutive fiscal quarters of the Company then most recently ended, the ratio of (a) all funds deposited in the Revenue Accounts (except if from another Account or an Unrestricted Account) for such period, minus deposits into any Onshore Operating Account during such period, to (b) Debt Service for such period.

“Default” shall mean any event or circumstance which with notice or lapse of time or both would become an Event of Default.

“Disposition” shall have the meaning set forth in Section 11.8.

“Dollars” and the sign “US\$” shall mean the lawful currency of the United States.

“Economic Sanctions Laws” shall mean those laws, executive orders, enabling legislation or regulations pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, administered and enforced by (a) the United States, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program and (b) The Bahamas, including the International Obligations (Economic and Ancillary Measures) Act.

“Environmental Action” shall mean any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability (except to the extent such potential liability could not reasonably be expected to result in a Material Adverse Effect), investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Action Plan” shall mean the Project Development Report attached as Appendix B hereto and Environmental and Social Management Plan attached as Appendix C hereto, each as modified and updated from time to time in accordance with its terms.

“Environmental Baseline Study” shall have the meaning specified in the Management Agreement.

“Environmental Law” shall mean any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials.

“Environmental Permit” shall mean any permit, approval, identification number, license or other authorization required under any Environmental Law.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” shall mean any Person that for purposes of Title IV of ERISA is a member of the controlled group of the Company, or under common control with the Company, within the meaning of Section 414 of the Code.

“ERISA Event” means (a)(i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30 day notice requirement with respect to such event has been waived by the PBGC or (ii) the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Company or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Company or any ERISA Affiliate from a multiple employer plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to any Plan; (g) a determination that any Plan is in “at risk” status (within the meaning of Section 303 of ERISA); or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan.

“Event of Default” shall have the meaning set forth in Section 12.1.

“Existing Debt” shall have the meaning set forth in Section 11.6(c)(iii).

“Existing B\$ Participating Debt Notes” shall have the meaning set forth in the recitals to this Agreement.

“Existing B\$ Participating Debt NPA” shall have the meaning set forth in the recitals to this Agreement.

“Existing Participating Debt NPAs” shall have the meaning set forth in the recitals to this Agreement.

“Existing Senior Debt” shall mean the outstanding Debt of the Company incurred pursuant to the U.S. Senior Note Purchase Agreement, the Bahamas Senior Note Purchase Agreement, the 2010 Senior Note Purchase Agreement and the 2012 Senior Note Purchase Agreement.

“Existing US\$ Participating Debt Notes” shall have the meaning set forth in the recitals to this Agreement.

“Existing US\$ Participating Debt NPA” shall have the meaning set forth in the recitals to this Agreement.

“Expropriation Event” shall mean (a) any condemnation, nationalization, seizure or expropriation by a Governmental Authority of all or a substantial portion of the Airport or the Property of the Company or of its Capital Stock, (b) any assumption by a Governmental Authority of control of all or a substantial portion of the Property or business operations of the

Company or of its Capital Stock, (c) any taking of any action by a Governmental Authority for the dissolution or disestablishment of the Company or (d) any taking of any action by a Governmental Authority with respect to any of the foregoing.

“Foreign Benefit Plan” shall mean each employee benefit arrangement mandated by non-U.S. law.

“Forms” shall have the meaning provided in Section 13.1(c).

“Government” shall mean the Government of the Commonwealth of The Bahamas.

“Governmental Approval” shall mean any authorization, consent, approval, license, ruling, permit, tariff, rate, certification, exemption, filing, variance, order, judgment, decree, publication, declaration of or with, or registration by or with, any Governmental Authority.

“Governmental Authority” shall mean any government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, domestic or foreign, federal, state or local having jurisdiction over the matter or matters in question.

“Governmental Official” means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

“Hazardous Materials” shall mean (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“Hedge Agreements” shall mean interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

“Historical Financial Statements” shall have the meaning set forth in Section 4.10.

“holder” means, with respect to any Participating Debt Note, the Person in whose name any beneficial interest in such Participating Debt Note is registered in the register maintained by the Participating Debt Note Agent pursuant to Section 14.1.

“IATA” shall mean The International Air Transport Association, an association incorporated by a Special Act of the Parliament of Canada.

“IATA Acknowledgment” shall mean a Notice and Acknowledgment, issued by the Company and acknowledged by IATA, in substantially the form of the Notice and Acknowledgment issued by the Company, dated March 26, 2009.

“IATA Agreement” shall mean that certain Airport Enhancement and Financing Service Agreement, dated as of April 1, 2007, by and among IATA, the Company and the Airport Authority.

“IFRS” shall mean international financial reporting standards and interpretations of such standards adopted, as issued by the International Accounting Standards Board, as in effect from time to time.

“Indemnified Liabilities” shall have the meaning provided in Section 16.2(a).

“Indemnified Matters” shall have the meaning provided in Section 16.2(b)(i).

“Indemnified Person” shall have the meaning provided in Section 16.2(a).

“Institutional Investor” shall mean (a) any Purchaser of a beneficial interest in a Participating Debt Note, (b) any holder of a beneficial interest in a Participating Debt Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Participating Debt Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any beneficial interest in any Participating Debt Note.

“Insurance Indemnity Letter” shall mean that certain indemnity letter, dated January 13, 2009, from the Government with respect to any damage to the Airport resulting from any act of war or terrorism, storm, tempest, hurricane, windstorm, wind driven water, flood or earthquake.

“Intercreditor Agreement” shall mean that certain Intercreditor Agreement, dated as of March 20, 2009, among the Subordinated Collateral Agents, the Participating Debt Note Agent, Citibank, N.A., as Senior Intercreditor Agent, Citibank, N.A., as Offshore Senior Collateral Agent, and CIBC Trust Company (Bahamas) Limited, as Onshore Senior Collateral Agent.

“Investment” in any Person shall mean any loan or advance to such Person, any purchase or other acquisition of any Capital Stock or Debt or the assets comprising a division or business unit or a substantial part or all of the business of such Person, any capital contribution to such Person or any other direct or indirect investment in such Person, including any acquisition by way of a merger or consolidation (or similar transaction) and any arrangement pursuant to which the investor incurs Debt of the types referred to in clause (h) or (i) of the definition of “Debt” in respect of such Person.

“Land” shall mean all real property owned or leased by, or under the possession and control of, the Company (including pursuant to the Lease Agreement).

“Law” shall mean, with respect to any Person (a) any statute, law, regulation, ordinance, rule, judgment, order, decree, or other governmental restriction or any interpretation or administration of any of the foregoing by any Governmental Authority (including Governmental Approvals) which is binding on such Person and (b) any directive, guideline, policy or any similar form of decision of or determination by any Governmental Authority which is binding on such Person, in each case, whether now or hereafter in effect.

“Lease Agreement” shall mean that certain agreement dated as of April 1, 2007 by and among the Company and the Airport Authority, as amended by Amendment No. 1 to the Indenture, dated [●].

“Lien” shall mean, with respect to any Property of any Person, any mortgage, lien, deed of trust, hypothecation, fiduciary transfer of title, assignment by way of security, pledge, charge, lease, sale and lease-back arrangement, easement, servitude, trust arrangement, or security interest or encumbrance of any kind in respect of such Property, or any preferential arrangement having the practical effect of constituting a security interest with respect to the payment of any obligation with, or from the proceeds of, any Property of any kind (and a Person shall be deemed to own subject to a Lien any Property that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention agreement relating to such Property).

“London Banking Day” shall have the meaning provided in Section 25.7.

“Losses” shall have the meaning provided in Section 16.2(b).

“Management Agreement” shall mean the Management Agreement, dated as of October 19, 2006, among the Airport Authority, the Company, Vantage Airport Group and Vantage Airport Group (Bahamas), as amended by the Letter of Agreement, dated March 30, 2007, the Amendment No. 2 to the Management Agreement, dated March 20, 2009, and the Amendment No. 3 to the Management Agreement, dated [●].

“Margin Stock” shall mean margin stock within the meaning of Regulation U and Regulation X.

“Material Adverse Effect” shall mean a material adverse effect on one or more of the following: (a) the business, operations, performance, properties or condition (financial or otherwise) of the Company, (b) the ability of the Company to observe and perform any of its material obligations under any of the Transaction Documents to which it is a party in accordance with the terms of such Transaction Documents, (c) the rights and remedies of any Subordinated Collateral Agent or any of the other Secured Parties under any of the Participating Debt Documents, or (d) the validity, enforceability or priority of the Liens granted to the Secured Parties pursuant to the Security Documents.

“Material Project Contracts” shall mean (a) the Lease Agreement, (b) the IATA Agreement, (c) the Management Agreement, (d) the Project Management Agreement, but only until its expiration on its scheduled expiration date, (e) the Transfer Agreement or (f) any Replacement Project Contract in lieu of the foregoing.

“Material Project Parties” shall mean the Airport Authority, Vantage Airport Group, Vantage Airport Group (Bahamas), and any other Person (other than the Company) party to a Material Project Contract.

“Maturity Date” shall have the meaning provided in Section 8.2.

“Mortgage by Sub-demise of Lease (Participating Debt)” shall mean that Indenture, dated March 30, 2009, as amended by Amendment No. 1, dated as of the date hereof, 2018 (“Amendment No. 1 to the Mortgage by Sub-demise of Lease (PD)”), by and among the Company, the Onshore Subordinated Collateral Agent and the Airport Authority.

“Mortgage of Assets under the Transfer Agreement (Participating Debt)” shall mean that Indenture of Chattels and Assignment by way of Mortgage, dated March 30, 2009, as amended by Amendment No. 1, dated as of the date hereof (“Amendment No. 1 to the Mortgage of Assets under the Transfer Agreement (PD)”), by and among the Company, the Onshore Subordinated Collateral Agent and the Airport Authority, dated March 30, 2009.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Company or any of its ERISA Affiliates makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“NAIC” shall mean the National Association of Insurance Commissioners.

“Net Cash Proceeds” shall mean, with respect to any Relevant Asset Disposition, Casualty Event or Expropriation Event, the excess, if any, of (a) the sum of cash and cash equivalents received in connection with such Relevant Asset Disposition, Casualty Event or Expropriation Event (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received, but excluding any Business Interruption Insurance Proceeds) over (b) the sum of (i) the principal amount of any Debt (other than Debt under the Participating Debt Documents) that is secured by such asset and that is required to be repaid in connection with such Relevant Asset Disposition, Casualty Event or Expropriation Event, (ii) the reasonable and customary out-of-pocket costs, fees, commissions, premiums and expenses (including attorneys’ fees, investment banking fees, underwriting discounts and commissions, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees) incurred by the Company or its Subsidiaries in connection with such Relevant Asset Disposition, Casualty Event or Expropriation Event, (iii) federal, state, provincial, foreign and local taxes reasonably estimated (on a Consolidated basis) to be actually payable in connection therewith, and (iv) in the case of any Relevant Asset Disposition, any reserve, established in accordance with IFRS, for (A) adjustment in respect of the sale price of such asset or assets or (B) any liabilities associated with such assets retained by the Company or any Subsidiary after such Relevant Asset Disposition thereof, including pension and other post employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; provided that any amounts retained with respect to clause (iii) or clause (iv) above shall be used solely for the purpose of funding the

liabilities for which such funds were reserved and if and to the extent such reserves are released in accordance with IFRS, the released funds shall be considered Net Cash Proceeds hereunder.

Notwithstanding anything to the contrary contained herein, (I) no net cash proceeds calculated as set forth above, whether in a single transaction or series of related transactions, shall constitute Net Cash Proceeds unless such net cash proceeds shall exceed US\$50,000 and (II) with respect to such net cash proceeds below the US\$50,000 threshold set forth in (I) above, no such net cash proceeds shall constitute Net Cash Proceeds in any fiscal year of the Company except to the extent the aggregate amount of all such net cash proceeds in such fiscal year shall exceed US\$1,000,000.

“Net Cash Proceeds Accounts” shall have the meaning set forth in the Bahamas Deposit Account Control and Security Agreement (Participating Debt).

“New Purchaser” shall have the meaning set forth in the recitals to this Agreement.

“New York Depository Bank” shall have the meaning specified in the New York Deposit Account Control and Security Agreement (Participating Debt).

“New York Deposit Account Control and Security Agreement” shall mean that certain New York Deposit Account Control and Security Agreement, dated as of March 30, 2009, as amended by Amendment No. 1, dated as of May 21, 2009, and Amendment No. 2, dated as of February 9, 2011, by and among the Company and Citibank, N.A., as the Senior Intercreditor Agent, Offshore Senior Collateral Agent and New York Depository Bank.

“New York Deposit Account Control and Security Agreement (Participating Debt)” shall mean the New York Deposit Account Control and Security Agreement (Participating Debt), dated as of March 30, 2009, as amended by Amendment No. 1, dated as of the date hereof (“Amendment No. 1 to the New York Deposit Account Control and Security Agreement (PD)”), by and among the Company, the Participating Debt Note Agent, the Offshore Subordinated Collateral Agent and the New York Depository Bank.

“Non-Continuing Participating Debt Notes” shall mean all Existing Participating Debt Notes not held by the Continuing Purchasers.

“Obligations” shall mean, with respect to any Person, any payment, performance or other obligation of such Person of any kind, including any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 12.1(e). Without limiting the generality of the foregoing, the Obligations of the Company under the Participating Debt Documents include (a) the obligation to pay principal, interest, fees, charges, expenses, attorneys’ fees and disbursements, indemnities and other amounts payable by the Company under any Participating Debt Document (whether or not evidenced by any Participating Debt Note) and (b) the obligation of the Company to reimburse any amount in respect of any of the foregoing that any Secured



Party may, in accordance with the Participating Debt Documents, elect to pay or advance on behalf of the Company.

“OFAC” shall mean the Office of Foreign Asset Control of the United States Department of the Treasury.

“Officer’s Certificate” shall mean an officer’s certificate signed by an Authorized Officer of the Company or any other applicable Person.

“Offshore Accounts” shall have the meaning set forth in the New York Deposit Account Control and Security Agreement.

“Offshore Revenue Account” shall have the meaning set forth in the New York Deposit Account Control and Security Agreement.

“Offshore Subordinated Collateral Agent” shall have the meaning set forth in the preamble to this Agreement.

“Onshore Accounts” shall have the meaning set forth in the Bahamas Deposit Account Control and Security Agreement.

“Onshore Operating Accounts” shall have the meaning set forth in the Bahamas Deposit Account Control and Security Agreement.

“Onshore Revenue Accounts” shall have the meaning set forth in the Bahamas Deposit Account Control and Security Agreement.

“Onshore Subordinated Collateral Agent” shall have the meaning set forth in the preamble to this Agreement.

“Participating Debt Common Terms Agreement” shall have the meaning provided in the recitals to this Agreement.

“Participating Debt Documents” shall mean, collectively, this Agreement, the Participating Debt Notes, the Intercreditor Agreement, the Security Documents, and each Consent Agreement delivered pursuant to Section 10.10 (if any).

“Participating Debt Note Agent” shall have the meaning set forth in the preamble to this Agreement.

“Participating Debt Notes” shall have the meaning set forth in Section 1.3.

“PATRIOT Act” shall mean United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 and the rules and regulations promulgated thereunder from time to time in effect.

“PBGC” shall mean the Pension Benefit Guaranty Corporation (or any successor).

“Permitted Liens” shall mean such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens under the Senior Secured Facilities Documents; (b) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 10.4; (c) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days; (d) pledges or deposits (other than the Accounts) to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; and (e) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

“Permitted Refinancing Debt” shall mean Debt issued or incurred (including by means of the extension or renewal of existing Debt) to refinance, refund, extend, renew, restructure, repay, exchange, defease or replace existing Debt, in whole or in part (“Refinanced Debt”), concurrently with the issuance or incurrence of such Debt, so long as (a) the principal amount of such refinancing, refunding, extending, renewing or replacing Debt is not greater than the principal amount of such Refinanced Debt plus the amount of any premiums or penalties and accrued and unpaid interest paid thereon and reasonable fees and expenses, in each case associated with such refinancing, refunding, extension, renewal or replacement, (b) the obligors in respect of such Refinanced Debt immediately prior to such refinancing, refunding, extending, renewing or replacing and any additional Person are the only obligors on such refinancing, refunding, extending, renewing or replacing Debt, and (c) the terms related to amortization and the covenants, events of default and other material terms (taken as a whole) of such refinancing, refunding, extending, renewing or replacing Debt contains covenants and events of default which, taken as a whole, are determined in good faith by an Authorized Officer of the Company to be consistent with the then-current market for similar issuances of Debt by issuers or debtors similar in credit rating or standing as that applicable to the Company.

“Person” shall mean any individual, corporation, limited liability company, company, voluntary association, partnership, joint venture, trust, or other enterprises or unincorporated organization or Governmental Authority.

“Plan” shall mean a defined benefit plan within the meaning of section 3(35) of ERISA that is covered by Title IV of ERISA that is maintained for employees of the Company or any ERISA Affiliate.

“Post-Completion Permitted Debt” shall mean additional senior secured indebtedness incurred by the Company after completion of the Project in accordance with this Agreement.

“Private Placement Memorandum” shall mean, collectively, the confidential private placement memoranda dated [●], used by the Purchasers in connection with placement of the Participating Debt Notes.

“Process Agent” shall have the meaning provided in Section 25.6(e).

“Project” shall mean the design, construction and commissioning, in accordance with the Project Definition Report, of the following facilities at the Airport, as contemplated in the Project Definition Report: (a) a new U.S. departures and pre-clearance building, (b) U.S. and international arrivals facilities, and (c) international and domestic departures facilities.

“Project Definition Report” shall mean Volume I of the Project Development Report prepared by the Project Manager pursuant to the Project Management Agreement, and approved by the Company.

“Project Management Agreement” shall mean the Project Management Agreement dated as of April 1, 2007, by and among the Airport Authority, the Company, Vantage Airport Group and the Project Manager, as amended by Amendment No. 1 to Project Management Agreement, dated March 20, 2009.

“Project Manager” shall mean Vantage Airport Group (Bahamas).

“Property” shall mean any property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, and any right or interest therein.

“Purchaser” or “Purchasers” means each of the Continuing Purchasers and New Purchasers that has executed and delivered this Agreement to the Company and such Purchaser’s successors and assigns (so long as any such assignment complies with Section 14.2), provided, however, that any Purchaser that ceases to be the registered holder or a beneficial owner (through a nominee) of any of the Participating Debt Notes as the result of a transfer thereof pursuant to Section 14.2 shall cease to be included within the meaning of “Purchaser” of such Participating Debt Note for the purposes of this Agreement upon such transfer.

“Qualified Operator” shall mean either (a) any Person whose primary business is the management of airports which manages two or more airports that may or may not be owned or leased by such potential Qualified Operator or any of its Affiliates which as of any date of determination had annual passenger traffic of at least two million (2,000,000) passengers for the immediately preceding 2 calendar years, in each case on the date it becomes a Replacement Project Counterparty or (b) any other entity consented to by the holders of the beneficial interests in the Participating Debt Notes (such consent not to be unreasonably delayed, denied or conditioned).

“Qualified Transferee” shall mean (a) any holder of a beneficial interest in a Participating Debt Note, or any Affiliate or any Related Fund of any holder of any beneficial interest in any Participating Debt Note, or (b) any other Person approved by the Company (which approval shall not be unreasonably delayed or withheld); provided that no such approval shall be required so long as a Default or an Event of Default has occurred and is continuing.

“Quarterly Date” shall mean each March 31, June 30, September 30 and December 31, commencing December 31, 2018.

“Refinanced Debt” shall have the meaning set forth in the definition of “Permitted Refinancing Debt”.

“Refinancing Amendments” shall have the meaning provided in Section 4.3(c).

“Registration Duty” means any registration duty or similar amount payable pursuant to [●] (or any comparable or successor provision of law) of [●] in connection with the use in a [●] judicial proceeding of this Agreement, the Notes or any other agreement or document related hereto or thereto or the transactions contemplated herein or therein.

“Regulation D” shall have the meaning provided in Section 5.15.

“Regulation S” shall mean Regulation S under the Securities Act.

“Regulation U” shall mean Regulation U of the Board of Governors of the Federal Reserve system (or any successor).

“Regulation X” shall mean Regulation X of the Board of Governors of the Federal Reserve system (or any successor).

“Related Fund” shall mean, with respect to any holder of any beneficial interest in any Participating Debt Note, any fund or entity that (a) invests in securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

“Release” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Material, but excluding (a) emissions from the engine exhaust of a motor vehicle and (b) the normal application of fertilizer and (c) activities conducted in compliance in all material respects with each applicable Governmental Approval issued under or pursuant to Environmental Laws).

“Relevant Asset Disposition” shall mean any Disposition of Property other than a Disposition listed in Section 11.8(a), (b), (c) or (e).

“Replacement Project Contract” shall mean any agreement, in form and substance reasonably acceptable to the Participating Debt Note Agent, with a Replacement Project Counterparty which replaces a Material Project Contract in accordance with the terms of this Agreement.

“Replacement Project Counterparty” shall mean, with respect to any Person having credit, or acceptable credit support, and experience, as applicable, equal to or greater than that of the replaced Material Project Party on the date that the applicable Material Project Contract was entered into who, pursuant to a definitive agreement, assumes the remaining obligations of the replaced Material Project Party under the applicable Material Project Contract on terms and conditions (taken as a whole) substantially similar to or more favorable to the Company than those applicable to the replaced Material Project Party pursuant to the applicable Material Project Contract; provided that any Replacement Project Counterparty to the Management Agreement shall be a Qualified Operator.

“Replacement Rights” shall mean, with respect to the Management Agreement, the Company’s right to replace Vantage Airport Group (Bahamas), as operator, with a Qualified Operator including by entering into a new management agreement with a Qualified Operator, in form and substance reasonably satisfactory to the Participating Debt Note Agent; provided that the Company shall have complied with the requirements of Section 10.10(b) respect to such new management agreement.

“Required Holders” shall mean, at any time, the holders of more than 50% of the beneficial interest of the Participating Debt Notes by reference to the principal amount of the Participating Debt Notes at the time outstanding. For this purpose, all legal and beneficial interests or holdings of the Company or any of its Affiliates in respect of the Participating Debt Notes shall not be taken into account.

“Restricted Payments” shall mean (a) any dividend payment or other distribution of assets, properties, cash rights, obligations or securities on account of any shares of any class of shares of the Company or (b) any purchase, redemption or any other acquisition for value of any shares of any class of Capital Stock of the Company or of any warrants, rights or options to acquire any such shares, in each case now or hereafter outstanding.

“Revenue Accounts” shall mean, collectively, the Offshore Revenue Account (as defined in the New York Deposit Account Control and Security Agreement) and the Onshore Revenue Accounts (as defined in the Bahamas Deposit Account Control and Security Agreement).

“Secured Parties” shall mean, collectively, the Agents and the Purchasers.

“Securities Act” shall mean the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Securities Industry Act” shall mean the Securities Industry Act, 2011, as amended from time to time and the rules and regulations promulgated thereunder from time to time in effect.

“Security Documents” shall mean the New York Deposit Account Control and Security Agreement (Participating Debt), the Bahamas Deposit Account Control and Security Agreement (Participating Debt), the Mortgage by Sub-demise of Lease (Participating Debt), the Mortgage of Assets under the Transfer Agreement (Participating Debt), the Assignment of Management Agreement (Participating Debt), the Assignment of Project Management Agreement (Participating Debt) and any other instrument or document delivered by the Company in order to grant to any Subordinated Collateral Agent for the benefit of the Secured Parties any Lien on any Collateral or to assure or preserve any such Lien or any rights or remedies created thereby.

“Security Interest” shall mean the Lien on the Collateral or any other collateral purported to be granted under the Security Documents to any Subordinated Collateral Agent, acting on behalf of and for the benefit of one or more of the Secured Parties (or any sub-agent or other Person acting for or on behalf of the Secured Parties).

“Senior Lenders” shall have the meaning set forth in the recitals to this Agreement.

“Senior Secured Facilities” shall mean (a) the Existing Senior Debt, (b) any additional Debt permitted to be incurred under the Senior Secured Facilities Documents and to rank *pari passu* with the Debt incurred under the other Senior Secured Facilities, and (c) Permitted Refinancing Debt in respect of any of the foregoing.

“Senior Secured Facilities Document” shall mean any agreement, promissory note, document or instrument providing for any Senior Secured Facilities or evidencing the terms of any Senior Secured Facilities.

“Senior Secured Facilities Security Documents” shall mean the New York Deposit Account Control and Security Agreement, the Bahamas Deposit Account Control and Security Agreement, the Mortgage by Sub-demise of Lease, the Mortgage of Assets under the Transfer Agreement, the Assignment of Management Agreement, the Assignment of Project Management Agreement and any other instrument or document delivered by the Company in order to grant to any Senior Collateral Agent (as such term is defined in the Senior Secured Facilities Documents) for the benefit of the Secured Parties (as such term is defined in the Senior Secured Facilities Documents) any Lien (as such term is defined in the Senior Secured Facilities Documents) on any Collateral (as such term is defined in the Senior Secured Facilities Documents) or to assure or preserve any such Lien or any rights or remedies created thereby.

“Solvent” and “Solvency” shall mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“State Sanctions List” shall mean a list that is adopted by any state Governmental Authority within the United States of America pertaining to Persons that engage in investment or other commercial activities in Iran or any other country that is a target of economic sanctions imposed under applicable Economic Sanctions Laws.

“Subordinated Collateral Agents” shall have the meaning provided in the recitals to this Agreement.

“Subsidiary” shall mean, for any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons

performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person; provided that, with respect to the Company, for the purposes of this Agreement and each Participating Debt Document, a branch shall constitute a “Subsidiary”.

“SVO” shall mean the Securities Valuation Office of the NAIC.

“Tax” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Taxing Jurisdiction” shall have the meaning provided in Section 13.1(a).

“Total Loss” shall mean a Casualty Event or Expropriation Event resulting in damage to, destruction or loss of all or a substantially all of the Airport with respect to which the Required Holders conclude either that (a) it is not commercially reasonable to rebuild or repair the Airport or (b) the Net Cash Proceeds and other available amounts of funding shall not be sufficient to rebuild or repair the Airport.

“Transaction Documents” shall mean the Material Project Contracts and the Participating Debt Documents.

“Transfer Agreement” shall mean that certain Transfer Agreement, dated as of April 1, 2007, by and among the Airport Authority and the Company, as amended by the Amendment No. 1 to the Transfer Agreement, dated March 20, 2009, and the Amendment No. 2 to the Transfer Agreement dated [●].

“US\$ Participating Debt Notes” shall have the meaning provided in Section 1.1.

“U.S. Senior Note Purchase Agreement” shall mean that certain Note Purchase Agreement, dated March 20, 2009, among the Company, certain qualified investors and CIBC Trust Company (Bahamas) Limited, as Notes Facility Agent, in which such qualified investors have purchased senior secured notes in the aggregate principal amount of up to US\$12,000,000.

“United States” and “U.S.” shall mean the United States of America.

“Unrestricted Accounts” shall have the meaning set forth in the Bahamas Deposit Account Control and Security Agreement (Participating Debt).

“Vantage Airport Group” shall mean Vantage Airport Group Ltd. (formerly known as YVR Airport Services Ltd.), a corporation incorporated under the British Columbia Business Corporations Act, British Columbia, Canada.

“Vantage Airport Group (Bahamas)” shall mean Vantage Airport Group (Bahamas) Ltd. (formerly known as YVR Airport Services (Bahamas) Limited), a company incorporated under the laws of The Bahamas.

“Voting Stock” shall mean, with respect to any Person, shall mean Capital Stock the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of a contingency.

“Withdrawal Liability” shall have the meaning specified in Part I of Subtitle E of Title IV of ERISA.

2. Rules of Interpretation. In each Participating Debt Document, unless otherwise indicated:

(a) each reference to, and the definition of, any document (including any Transaction Document) shall be deemed to refer to such document as it may be amended, supplemented, revised or modified from time to time, or in the case of the Management Agreement, replaced pursuant to the Replacement Rights, in accordance with its terms;

(b) each reference to a Law, Environmental Law or Governmental Approval shall be deemed to refer to such Law, Environmental Law or Governmental Approval as the same may be amended, supplemented or otherwise modified from time to time;

(c) any reference to a Person in any capacity includes a reference to its permitted successors and assigns in such capacity and, in the case of any Governmental Authority, any Person succeeding to any of its functions and capacities;

(d) references to days shall refer to calendar days unless Business Days are specified; references to weeks, months or years shall be to calendar weeks, months or years, respectively;

(e) all references to a “Section,” “Appendix,” “Annex,” “Schedule” or “Exhibit” are to a Section of such Participating Debt Document or to an Appendix, Annex, Schedule or Exhibit attached thereto;

(f) the table of contents and Section headings and other captions therein are for the purpose of reference only and do not affect the interpretation of such Participating Debt Document;

(g) defined terms in the singular shall include the plural and vice versa, and the masculine, feminine or neuter gender shall include all genders;

(h) the words “hereof”, “herein” and “hereunder”, and words of similar import, when used in any Participating Debt Document, shall refer to such Participating Debt Document as a whole and not to any particular provision of such Participating Debt Document;



(i) the words “include,” “includes” and “including” are deemed to be followed by the phrase “without limitation”;

(j) where the terms of any Participating Debt Document require that the approval, opinion, consent or other input of any Secured Party be obtained, such requirement shall be deemed satisfied only where the requisite approval, opinion, consent or other input is given by or on behalf of the relevant party in writing;

(k) where the terms of any Participating Debt Document require or permit any action to be taken by the Subordinated Collateral Agent, such action shall be taken strictly in accordance with the applicable provisions of the relevant Participating Debt Documents; and

(l) any reference to a document shall be deemed to include all exhibits, annexes, appendices and schedules thereto.

## FORM OF US\$ PARTICIPATING DEBT NOTE

## NASSAU AIRPORT DEVELOPMENT COMPANY LIMITED

## US\$ Participating Debt Note Due 20[35]

No. [•] [Date]

US\$[•]

[PPN[•]]

FOR VALUE RECEIVED, the undersigned, NASSAU AIRPORT DEVELOPMENT COMPANY LIMITED (herein called the “Company”), a company organized and existing under the laws of the Commonwealth of The Bahamas, hereby promises to pay to CIBC Trust Company (Bahamas) Limited, as Participating Debt Note Agent, the principal sum of [•] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on [December 31, 2035] with interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid balance thereof at the rate of [•]% per annum from the date hereof, payable quarterly, to the extent provided in Section 8.1 of the Participating Debt Note Purchase Agreement referred to below, on the last day of March, June, September and December in each year, commencing with the December 31, 2018, until the principal hereof shall have become due and payable.

Payments of principal of and interest on this Participating Debt Note are to be made in lawful money of the United States of America at the principal office of CIBC Trust Company (Bahamas) Limited in Nassau, the Commonwealth of The Bahamas, or at such other place as the Company shall have designated by written notice to the Company as provided in the Participating Debt Note Purchase Agreement referred to below.

This Participating Debt Note is one of the Participating Debt Notes (herein called the “Participating Debt Notes”) issued pursuant to the Participating Debt Note Purchase Agreement, dated as of [•], 2018 (as from time to time amended, the “Participating Debt Note Purchase Agreement”), among the Company, the respective Purchasers named therein and who are entitled to the benefits thereof, CIBC Trust Company (Bahamas) Limited, as Participating Debt Note Agent, CIBC Trust Company (Bahamas) Limited, as Onshore Subordinated Collateral Agent and Citibank, N.A., as Offshore Subordinated Collateral Agent. Each holder of any beneficial interest in this Participating Debt Note will be deemed, by the acceptance hereof by the Participating Debt Note Agent on its behalf, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Participating Debt Note Purchase Agreement and (ii) made the representation set forth in Section 6.2 of the Participating Debt Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Participating Debt Note shall have the respective meanings ascribed to such terms in the Participating Debt Note Purchase Agreement.

This Participating Debt Note is a registered Participating Debt Note and, as provided in the Participating Debt Note Purchase Agreement, upon surrender of this

Participating Debt Note for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Participating Debt Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Participating Debt Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Participating Debt Note Purchase Agreement. This Participating Debt Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Participating Debt Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Participating Debt Note may be declared or otherwise become due and payable in the manner, at the price and with the effect provided in the Participating Debt Note Purchase Agreement.

In accordance with Section 5-1401 of the General Obligations Law of the State of New York, this Participating Debt Note shall be governed by, and construed in accordance with, the laws of the State of New York.

**NASSAU AIRPORT DEVELOPMENT  
COMPANY LIMITED**

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Title:

## FORM OF B\$ PARTICIPATING DEBT NOTE

## NASSAU AIRPORT DEVELOPMENT COMPANY LIMITED

## B\$ Participating Debt Note Due 20[35]

No. [•] [Date]

B\$[•]

[PPN[•]]

FOR VALUE RECEIVED, the undersigned, NASSAU AIRPORT DEVELOPMENT COMPANY LIMITED (herein called the “Company”), a company organized and existing under the laws of the Commonwealth of The Bahamas, hereby promises to pay to CIBC Trust Company (Bahamas) Limited, as Participating Debt Note Agent, the principal sum of [•] BAHAMIAN DOLLARS (or so much thereof as shall not have been prepaid) on [December 31, 2035] with interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid balance thereof at the rate of [•]% per annum from the date hereof, payable quarterly, to the extent provided in Section 8.1 of the Participating Debt Note Purchase Agreement referred to below, on the last day of March, June, September and December in each year, commencing with the December 31, 2018, until the principal hereof shall have become due and payable.

Payments of principal of and interest on this Participating Debt Note are to be made in lawful money of the Commonwealth of The Bahamas at the principal office of CIBC Trust Company (Bahamas) Limited in Nassau, the Commonwealth of The Bahamas, or at such other place as the Company shall have designated by written notice to the Company as provided in the Participating Debt Note Purchase Agreement referred to below.

This Participating Debt Note is one of the Participating Debt Notes (herein called the “Participating Debt Notes”) issued pursuant to the Participating Debt Note Purchase Agreement, dated as of [•], 2018 (as from time to time amended, the “Participating Debt Note Purchase Agreement”), among the Company, the respective Purchasers named therein and who are entitled to the benefits thereof, CIBC Trust Company (Bahamas) Limited, as Participating Debt Note Agent, CIBC Trust Company (Bahamas) Limited, as Onshore Subordinated Collateral Agent and Citibank, N.A., as Offshore Subordinated Collateral Agent. Each holder of any beneficial interest in this Participating Debt Note will be deemed, by the acceptance hereof by the Participating Debt Note Agent on its behalf, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Participating Debt Note Purchase Agreement and (ii) made the representation set forth in Section 6.1 of the Participating Debt Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Participating Debt Note shall have the respective meanings ascribed to such terms in the Participating Debt Note Purchase Agreement.

This Participating Debt Note is a registered Participating Debt Note and, as provided in the Participating Debt Note Purchase Agreement, upon surrender of this

Participating Debt Note for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Participating Debt Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Participating Debt Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Participating Debt Note Purchase Agreement. This Participating Debt Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Participating Debt Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Participating Debt Note may be declared or otherwise become due and payable in the manner, at the price and with the effect provided in the Participating Debt Note Purchase Agreement.

This Participating Debt Note shall be governed by, and construed in accordance with, the laws of the Commonwealth of The Bahamas.

**NASSAU AIRPORT DEVELOPMENT  
COMPANY LIMITED**

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Title:

EXHIBIT 3

FORM OF OPINION OF COMPANY'S NEW YORK COUNSEL

[TO BE ATTACHED]

EXHIBIT 4

FORM OF OPINION OF COMPANY'S BAHAMAS COUNSEL

[TO BE ATTACHED]

EXHIBIT 5

FORM OF CONSENT AGREEMENT

[TO BE ATTACHED]



FORM OF TRANSFER NOTICE

**TRANSFER OF BENEFICIAL INTEREST**

Date: \_\_\_\_\_, 20\_\_

[*Name of the Participating Debt Note Agent*]

[*Address of the Participating Debt Note Agent*]

Attention: [\_\_\_\_]

Ladies and Gentlemen:

Reference is made to that [US\$ Participating Debt Note][B\$ Participating Debt Note] No. [\_\_\_\_] (the "Participating Debt Note") dated [\_\_\_\_\_] issued by Nassau Airport Development Company Limited, a company organized and existing under the laws of the Commonwealth of The Bahamas, to you on behalf of the holders of beneficial interests in the Participating Debt Note. Any capitalized term used herein and not defined herein shall have its respective meaning as set forth in the Participating Debt Note.

Effective as of the date hereof, for value received, the undersigned transferor, as the current holder of the [US\$][B\$] [\_\_\_\_\_] principal amount of beneficial interest in the Participating Debt Note (the "Transferor"), hereby irrevocably transfers to \_\_\_\_\_ [*insert name and address*] (the "Transferee") [US\$][B\$] of all such beneficial interests of the Transferor in the Participating Debt Note and the related rights and obligations under the Participating Debt Documents.

[•],  
as Transferor

By: \_\_\_\_\_  
Name:  
Title:

[•],  
as Transferee

By: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE 5.10**

**TAXES**

[●]

**SCHEDULE 5.21**

**FILINGS**

[•]

**SCHEDULE 11.5(d)**

**EXISTING LIEN**

[•]

**SCHEDULE 11.6**

**EXISTING DEBT**

[●]