

MASTER AGREEMENT  
BY AND BETWEEN  
THE GOVERNMENT OF BELIZE

&

INNOVATIVE COMMUNICATIONS CORPORATION

This agreement (the "Agreement") is entered into by and between the Government of Belize (hereinafter referred to as "Government") and Innovative Communications Corporation (hereinafter referred to as the "ICC") this \_\_ day of March 2004 with regard to certain agreements entered into, or to be entered into, regarding the acquisition of Belize Telecommunications Limited (hereinafter referred to as "BTL"). The Government and ICC shall be individually and collectively referred to as the "Party" or "Parties" as context shall require:

THIS AGREEMENT is based upon the following premises and recitals:

WHEREAS, having regard to certain agreements and actions, known and unknown, taken on behalf of BTL by its controlling shareholder Carlisle, the Government and ICC have agreed that the ultimate form of the acquisition of BTL by ICC shall be an asset acquisition and liability assumption.

WHEREAS, the Government has entered into certain agreements with Carlisle that contemplated a share acquisition agreement of BTL by ICC.

WHEREAS, the Government and ICC have entered into this Agreement as a means to accomplish the asset acquisition and liability assumption while complying with the terms and conditions of the Government's agreements with Carlisle.

NOW, THEREFORE, IT IS AGREED by the Parties as follows:

1. **TERMS:** The terms used in this Agreement, including the recitals above, shall have the same meaning and shall be interpreted consistent with the agreement for the





"Acquisition of Shares in Belize Telecommunications Limited" (the "Share Purchase Agreement") which is attached and incorporated herein as Exhibit "A" and the agreement for the "Agreement For Acquisition Of Assets And Liabilities Of Belize Telecommunications Limited" (the "Asset Purchase Agreement") which is attached and incorporated herein as Exhibit "B". Additionally, additional terms may be defined within this Agreement.

2. **TRANSACTION STEPS:** The Parties agree that the asset acquisition will be accomplished in the following sequence:

- a. ICC shall execute the Share Purchase Agreement;
- b. ICC shall establish an entity in Belize (the "NewCo") to close the Share Purchase Agreement;
- c. ICC, through NewCo, shall acquire the Government Shares and the Carlisle Shares pursuant to the Share Purchase Agreement;
- d. NewCo, as the then owner of BTL, shall cause the Asset Purchase Agreement to be executed by and between NewCo, on one hand, and on the other, the Government and BTL; and
- e. NewCo shall take all the appropriate steps to comply with the corporate laws of Belize with respect to the Asset Purchase Agreement; and
- f. NewCo, in a businesslike manner and with reasonable dispatch, shall close the Asset Purchase Agreement according to its terms and conditions.

3. **Consideration – Share Purchase Agreement:** With respect to the Share Purchase Agreement the payment shall be made as follows:

- a. For the Carlisle Shares, a NewCo note which is guaranteed by ICC in the principal amount of US\$57,000,000 bearing interest at a rate of seven percent (7%) per annum payable on or before April 30, 2004; and
- b. For the Government Shares, a NewCo note which is guaranteed by ICC representing a valuation of US\$48,000,000 for the BTL shares other than the Carlisle Shares in the principal amount of equivalent to the Government's share of ownership of BTL shares excluding the Carlisle Shares over the total



number of BTL shares excluding the Carlisle Shares. The interest rate for the note shall be seven percent (7%) per annum payable upon the closing of the Asset Purchase Agreement but in no case later than August 31, 2004.

Notwithstanding the above, dividends payable for the year ended March 31, 2004 shall be paid to shareholders of record, the record date being the end of business day on March 31, 2004, except that with respect to the Purchased Shares the dividend shall be payable to the Government and its instrumentalities. The amount of the dividend and the dividend payment date shall be consistent with past practices (last 5 years) of BTL.

**4. Consideration – Asset Purchase Agreement:** ICC shall proceed with reasonable dispatch and in a businesslike manner to close the Asset Purchase Agreement which will require the approval of the Overseas Private Investment Corporation (“OPIC”) which shall be closed for a payment of US\$48,000,000 (part of which is payable with respect to the Government Shares and the balance payable to BTL) plus the transfer of the BTL shares acquired pursuant to the Share Purchase Agreement (the Purchased Shares), all of which shall be valued at US\$105,000,000.

**5. Variance of Terms:** The Government agrees that the Asset Purchase Agreement, its terms, conditions and contents will not be varied after the execution of this Agreement for any reason other than as is mutually agreed between the Parties and other than the completion of the Appendices that are not attached to the Asset Purchase Agreement which shall be subject to the Government’s consent which shall not be unreasonably withheld.

**6. Interpretation:** The Share Purchase Agreement and Asset Purchase Agreement shall be interpreted according to the content of the agreements themselves, excepting that when anything is in conflict with this Agreement, this Agreement shall prevail; and if the Asset Purchase Agreement and the Share Purchase Agreement are in any way in conflict, the agreements shall be interpreted to give effect and meaning to the intent expressed in this Agreement.



7. **Miscellaneous:** This Agreement is subject to the following additional terms and conditions: the Parties shall deal in good faith; this Agreement represents the entire understanding between the Parties; the Government indemnifies ICC, NewCO and BTL against any losses and costs associated with any litigation that may be instituted by Carlisle with respect to these agreements including this Agreement; the waiver or failure to enforce any provision of this Agreement as to any event shall not be deemed a waiver of such provision as to other events including future or unknown events; the Party executing this agreement is authorized to execute this Agreement; upon signing, this Agreement is binding upon the Parties; the invalidity of any part of this Agreement shall not affect the enforceability or validity of other provisions of this Agreement; facsimile copies, including facsimile signatures shall have the same force and effect as original signatures; this Agreement may be executed in one or more counterparts; this Agreement shall be subject to the laws of Belize; and each party to this Agreement shall bear and be responsible for all fees, costs and expenses with respect to the negotiation and consummation of this Agreement.

Executed on behalf of the Government of Belize this \_\_\_\_ day of March  
2004 at \_\_\_\_\_, Belize:

For the Government of Belize

By: 

Honorable Ralph Fonseca, Minister of  
Finance and Home Affairs, Government of  
Belize



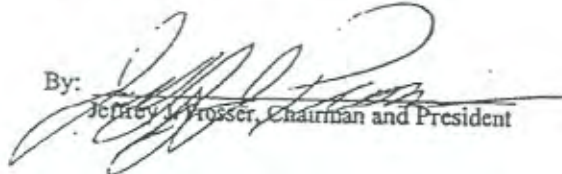


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Executed on behalf of Innovative Communications Corporation, a United States  
Virgin Islands Corporation, this \_\_\_\_\_ day of \_\_\_\_\_, 2004 at  
\_\_\_\_\_.

Innovative Communications Corporation,  
a United States Virgin Islands Corporation

By:



Jeffrey J. Prosser, Chairman and President

