

11 C2 '04

AGREEMENT FOR ACQUISITION
OF SHARES IN BELIZE TELECOMMUNICATIONS LIMITED

SECTION 1
THE PARTIES

1.1 This is an agreement made on this 22nd day of March 2004 by and between the Government of Belize, (hereinafter referred to as "the Government"), including its ministries, departments, and political subdivisions, represented by the Honorable Ralph Fonseca, Minister of Finance and Home Affairs, and Innovative Communications Corporation, a privately held limited company duly incorporated and qualified under the laws of the US Virgin Islands with its principal offices situated at St. Croix, United States Virgin Islands (hereinafter referred to as "ICC"), and represented by Mr. Jeffrey J. Prosser, the Chairman of its Board of Directors and President

SECTION 2
DESCRIPTION OF THE TRANSACTION

2.1 This is an unconditional stock purchase agreement between ICC and the Government wherein ICC will purchase from the Government the Carlisle Shares and the Government Shares of Belize Telecommunications Limited, (hereinafter referred to as BTL), a corporation organized and existing under the laws of Belize. This is the final agreement of the parties and supersedes all earlier manifestations and agreements in all respects

This is the copy of share purchase Agreement

marked "C2" referred to in the 1st Affidavit of Jeffrey J. Prosser

sworn to at this 7th day of October, 2005

Debbie S. Fahsel
NOTARY PUBLIC

SECTION 3
DEFINITIONS



Debbie S. Fahsel
Commission #DD153118
Expires: Oct 26, 2006
Bonded Thru
Atlantic Bonding Co., Inc.

As used in this agreement, the following definitions shall apply to the capitalized words as follows:

3.1 Acquisition shall mean the transfer of legal title to the Purchased Shares to ICC.

- 3.2 BZD or BZ\$ shall mean Belizean Dollars, being the legal tender of Belize.
- 3.3 Carlisle shall mean Carlisle Holdings Limited, an International Business Corporation formed and registered under the laws of Belize.
- 3.4 Carlisle Shares shall mean 19,343,451 ordinary shares in the capital stock of BTL, comprising 7,520,000 "B" ordinary shares and 11, 823,451 "C" ordinary shares.
- 3.5 Closing Date shall mean the effective date upon which consideration is exchanged by the parties. Such closing date is specified in Section 13.1 as March 31, 2004. The provisions of Section 13 concerning the Closing Date, including any change in such date, shall govern.
- 3.6 Default shall mean any event of default, or any event which would constitute an event of default but for the requirement that notice be given or time elapse or both.
- 3.7 Dollars or \$ shall mean lawful money of the United States of America.
- 3.8 Due Diligence shall mean the process of evaluating, investigating and assessing the entire condition of BTL including all items disclosed upon its financial statements for years ended 31 March 2003, the auditors report dated May 15, 2003, and such other quarterly or periodic reports and assessments of BTL as may have been produced by its management internally or by independent outside accountants, auditors, consultants, and advisors, as is more specifically provided at Section 6.
- 3.9 EBITDA shall mean for any period, consolidated net income for such period plus (i) all charges in such period for amortization of intangibles, depletion and depreciation, plus (ii) consolidated net interest expense, plus (iii) all charges in such period for income taxes, minus (iv) net income (or plus the net loss) that is accounted for by the equity method of accounting, except to the extent of the amount of dividends or distributions

paid to the BTL, minus (v) the net income (or plus the net loss) of any other person acquired by the BTL or any subsidiary of the BTL in a transaction accounted for as a pooling of interests for any period prior to the date of such acquisition.

- 3.10 Force Majeure shall mean, with respect to any party, any event or condition that is beyond its reasonable control, or which it could not reasonably have foreseen or otherwise prevented and shall include, subject to the foregoing, without limitation, insurrection, war or other armed conflict, floods, earthquakes, hurricanes and other natural disasters, acts of God or other public enemy, fire, strikes, walkouts, and other labor difficulties, whether or not the affected party is in a position to accede to the demands arising in connection therewith, embargos, acts of civil or military authorities and failures of suppliers to deliver, ~~except~~ that the acts of the Government of Belize taken in its sovereign capacity shall not be an act of force majeure excusing the performance of the Government.
- 3.11 Government shall mean the sovereign and duly constituted Government of Belize, including its ministries, departments, political subdivisions, and appointees of Her Majesty.
- 3.12 Government Shares shall mean the one special rights redeemable preference share BZ\$1 and 11,950,663 "B" and "C" ordinary shares of BZ\$1 each in the share capital of BTL held by the Government or persons related or connected with the Government, comprising 480,000 "B" ordinary shares held by the Government, 87,666 "C" ordinary shares held by the Government, 9,491,102 "C" ordinary shares held the Social Security Board, 373,057 "C" ordinary shares held by the Social Security Board of Belize Pension Fund, 300,779 "C" ordinary shares held by the Development Finance Corporation, 118,264 "C" ordinary shares held by Development Finance Corporation investment Co Ltd, 854,795 "C" ordinary shares held by the Financial Secretary and 145,000 "C" ordinary shares held by the Central Bank Pension Fund, plus any other shares acquired by the Government or any persons related or connected with the Government excluding the Carlisle Shares.

- 3.13 ICC shall mean Innovative Communications Corporation, a United States Virgin Islands corporation, Innovative Communication Company, LLC, a limited liability company and their affiliates.
- 3.14 Purchased Shares means the Government Shares and the Carlisle Shares.
- 3.15 USD shall mean United States Dollars being the currency of the United States of America.

There are one or more terms defined within this agreement in Sections other than this Section 3.

SECTION 4

DETAIL OF THE STOCK SALE

The shares being sold under the terms of this agreement to ICC are the Carlisle Shares and the Government Shares.

SECTION 5

PROGRESSION OF EVENTS AND CLOSING

The parties contemplate that the component events of this entire transaction shall take place on the times, dates, and places as follows:

- 5.1 The Government has purchased the Carlisle Shares and is in a position to transfer the Carlisle Shares to ICC. The Government is in control of the Government Shares and is in a position to transfer the Government Shares to ICC.
- 5.2 On the Closing Date, first, ICC shall pay the Government \$57,000,000 for the Carlisle

Shares. Secondly, ICC shall pay for the Government Shares. The price of the Government Shares shall be based upon an agreed value of \$48,000,000 for all other issued and outstanding BTL shares other than the Carlisle Shares. The Government shall be paid by its proportionate share of the \$48,000,000 determined its' proportionate ownership assuming the Carlisle Shares were not issued and outstanding. This is expected to be approximately \$2.739 per share.

SECTION 6 DUE DILIGENCE

The Due Diligence evaluation and assessment referred to from time to time in this agreement, has been constricted by reason of the fact that Carlisle at the present time continues to exercise management authority over the day-to-day affairs of BTL. Consequently, ICC is agreeing to close this agreement based upon reliance of representations, warranties and indemnities provided by the Government to induce ICC to close this transaction without customary investigation of the condition of BTL. All of the Government's representations, warranties and indemnities set forth within this agreement are deemed to be MATERIAL and NOT incidental.

SECTION 7 REPRESENTATIONS OF THE GOVERNMENT

The Government represents and warrants:

- 7.1 Organization of BTL - BTL is a public company established under the Belize Companies Act, Chap. 250 of the Substantive Laws of Belize, Revised Edition 2003.

- 7.2 Non-existence of Legal Impediments - There are no legal impediments that restrict, negate or impair the right of the Government to cause the Carlisle Shares and the Government Shares to be transferred to ICC.

- 7.3 Authority, Permits and Licences - No person other than BTL at present has any authority, permit or licence in Belize to legally carry on, conduct or participate in the telecommunication business, or provide any telecommunication services, except the following Belize Public Utilities Licence Holders:
- 7.3.1 International Telecommunications Limited (Intelco) Individual Licence effective December 30, 2002.
- 7.3.2 Speednet Communications Limited, (Speednet) - Individual Licence effective August 1, 2003.
- 7.4 Financial Statements - The audited financial statements of BTL for the years ending March 31, 2003 and March 31, 2002, subject to the observations in the Audit Report, are correct and complete and fairly present the financial position of BTL as of March 31, 2003 and March 31, 2002 (the dates of the Balance Sheet statements respectively), the results of its operations for the years ended 31st March 2003 and 2002 and the assets and liabilities of BTL on those dates.
- 7.5 Interest in Transactions - Except as is normal as between a corporate body operating a telecommunications system and its subscribers and employees, no officer or director of BTL or Government official has, in his personal capacity, any direct or indirect interest in, or is a party to, any lease, license, contract, agreement or other obligation of BTL or is the holder, beneficial owner, or the obligor of any note or other evidence of indebtedness of BTL.

7.6 Taxes - BTL has filed all returns relating to taxes and duties required to be filed by it under the laws of Belize; and has paid the taxes and duties. The transfer of the Purchased Shares of BTL to ICC will not attract any claim or assessment for additional taxes of any kind being asserted by the Government.

7.7 Corporate and Business Records - The corporate and business records of BTL are true and accurate in all material respects. These records will be retained by BTL and transferred to ICC as custodian and majority shareholder.

7.8 Litigation - There are no material claims, actions, suits, proceedings, judgments or orders, pending or threatened against BTL or instituted by BTL as claimant, petitioner, or plaintiff except as follows:

- Case No. 435 of 2000, filed in the Supreme Court of Belize, which is a currently uncollectable judgment in favor of BTL.
- Case No. 47 of 2002, filed in the Supreme Court of Belize, wherein BTL has sued the Government, or its instrumentalities concerning charges and tariffs on local, national, and international telecommunications traffic.
- Case No. 152 of 2002, filed in the Supreme Court of Belize wherein BTL is the Complainant and the Government is the Defendant complaining that the Government, or its instrumentalities, awarded contracts for telecommunications services to Intelco without following proper procedures. Such case is now before the Privy Council at London England.
- Case No. 261 of 2002, filed before the Supreme Court of Belize wherein the Attorney General of Belize is the Complainant and BTL is

- the Defendant. This action is a technical action consolidated with Case No. 47/2002.
- Case No. 557 of 2002, filed in the Supreme Court of Belize, wherein the Social Security Board of Belize is the Complainant and BTL is the Defendant challenging the legality of certain dividends.
 - Case No. 36 of 2003, filed in the Supreme Court of Belize, wherein BTL is the Complainant and the Attorney General of Belize, the Minister of Trade and Finance of the Nation of Belize, and Intelco are all Defendants. BTL has claimed as an adjunct to Case No. 152/2002 and as a private law remedy that the Government, and its instrumentalities, do not have the power to waive certain procedures concerning the award of Government contracts and that the Contract awarded to LSG/Intelco is unlawful and therefore void. This matter is stayed pending resolution at the Privy Council in Case No. 152/2002.
 - Case No. 378 of 2003, filed in the Supreme Court of Belize, wherein BTL is the Complainant and the Public Utility Commission and Intelco are Defendants, or given notice, concerning the interconnectivity rates set by the PUC. BTL has sued to set aside the rates set by the PUC alleging that the rate structure providing for interconnectivity between the cell telecommunications of BTL and Intelco were not set on an allocated cost basis plus rate of return. Rather, BTL alleges that such rates were set using a flat rate or bench mark method.
 - Case No. 382 of 2003, filed in the Supreme Court of Belize, wherein BTL is the Complainant and the Public Utilities Commission of Belize is the Defendant. The Court has ruled that this case is cumulative and a repeat of Case No. 378/2003. Application to obtain judicial

review has been refused.

- Case No. 450 of 2003, before the Supreme Court of Belize wherein BTL is the complainant and the Public Utilities Commission and Speed Net are Defendants. This is an appeal under Sections 33 and 34 of the PUC Act granting Speednet its license dated July 31, 2003.
- Case No. 525 of 2003 of the Supreme Court of Belize, wherein the Public Utilities Commission of Belize (PUC) is the Complainant and BTL is the Defendant. PUC wishes to obtain declaratory relief concerning the effective tariff schedules now in effect including the prospective or retrospective application of such rates. [PUC's motion was dismissed by the Supreme Court on March 5, 2004].
- Case No. 580 of 2003 before the Supreme Court of Belize, wherein 31 former employees are the Complainants and BTL is the Defendant in a matter concerning the interpretation and application of pension benefit payments made to the former employees upon termination by reason of redundancy. The former employees alleged that they are entitled to both payments from the pension fund and to severance pay by reason of their redundant terminations.

7.8.1 Disposition of the Interconnectivity Issues – The Government shall use its' best endeavours to ensure interconnectivity between BTL and the licensees in such a manner that charges for interconnection services and facilities shall reflect BTL's costs based upon a total system costs allocation and will include a return on capital investment after tax of 15% per annum.

7.8.2 Shareholder and Employee Suits - In Case No. 557/2002 the Government will use its best endeavors to ensure that the Social Security Board withdraws its case against

- (vii) Transferred or granted any material rights under any concessions, leases, licenses, agreements, inventions, trade names, trade marks, service marks, copyrights, registrations or licenses thereof or applications therefore, or with respect to any know-how or other proprietary or trade rights;
- (viii) Made any increase in the compensation payable or to become payable by it to any of its employees, except for increases made in accordance with its established compensation policies applied on a basis consistent with previous practice, or increases made in connection with any Collective Bargaining Agreement;
- (ix) Entered into any transaction of any nature with any of its officers or members;
- (xi) Entered into any transaction, contract or commitment with the Government or any Government agency or authority or any other party which by reason of its size, nature or otherwise is not in the ordinary course of its business;
- (xii) Undertaken any material borrowing, whether under existing or new borrowing arrangements, and entered into any material loan agreements except the credit referred to in Section 9.9, or
- (xiii) Terminated, discontinued, closed or disposed of any facility or business operation.
- (xiv) Entered into any employment arrangement or other contract or arrangement with respect to the performance of personal services which either (a) is not terminable without liability by it on thirty (30)

days notice or less or (b) involves an annual rate of compensation in excess of USD \$84,000.

- (xv) Made any loan to any of its officers, members or employees, or to any party other than in the ordinary course of business;
- (xvi) Suffered any material casualty loss or damage, whether or not such loss or damage shall have been covered by insurance, which materially affects its ability to conduct its business;
- (xvii) Issued, sold or otherwise disposed of any evidence of indebtedness or other securities;
- (xviii) Granted or made any options, rights, commitments or any other agreements of any character obligating it to issue any evidence of indebtedness or other securities; or
- (xix) Acquired any equity interest in any other corporation, partnership, joint venture or other business association.

11 No Breach - The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not -

- (a) constitute a violation of any law of Belize;
- (b) constitute a breach of, default under or result in the acceleration of, any obligation of BTL of any kind or character, and
- (c) violate or conflict with any other restriction of any kind or character to which BTL is subject.

- 7.12 Authority - The Government has taken all action required by law, regulation, or policy required to authorize the execution and delivery of this Agreement, and this Agreement is a valid and binding Agreement of the Government in accordance with its terms. The undersigned party executing this Agreement on behalf of the Government has been duly authorized to execute this Agreement.
- 7.13 Foreign Nationals - The Government shall grant the necessary visas and work permits to enable BTL to employ foreign nationals eligible for such visas and work permits under the laws of Belize (including the granting of visas to their family members) in telecommunications, finance, engineering, information technology, and management positions to carry on BTL activities and to enable foreign nationals to serve as directors of BTL. This paragraph shall apply whether such visas and work permits are permanent or temporary in nature.
- 7.14 Conduct of Business before Closing - After the date of this Agreement and including the Closing date, the Government will use its best efforts to cause BTL, to comply with the following, except where the Government and ICC agree otherwise -
- (a) BTL shall conduct its business in the usual, regular and ordinary course, and in keeping with present business practices, and, to the extent consistent with such operations, the Government shall use its best efforts to preserve the present business organization intact, and shall do nothing (other than in the ordinary course of the management of the business, including suspension or dismissal of an officer or employee for cause) which shall have the effect of depriving BTL of the services of their present officers and employees or to adversely affect present relationships with persons having business dealings with BTL;
 - (b) BTL shall maintain to the best of their ability all the assets and properties at present owned by BTL, and which are reasonably necessary for its business in customary repair order and condition;

- (c) BTL shall maintain the books, accounts and other records BTL has been maintaining in the past in connection with its business, in the usual, regular and ordinary manner, on a basis at least consistent with prior years, and endeavor to comply with all the laws applicable to BTL, as the case may be, and to perform without default all the obligations of BTL; and
- (d) excepting any expenditure incurred or advances on equipment purchased under a contract already entered into by BTL prior to March 31, 2003, no individual capital expenditure or advance on equipment purchases in excess of BZ\$100,000 will be incurred by BTL.
- (e) The Government shall take such actions as are necessary to procure the termination of the Management Agreement dated April 1, 2001 between BTL as the customer and Carlisle Holdings Limited as supplier on or before the Closing Date. The termination of such Management Agreement shall be without cost to BTL and shall not result in any contingent or future liability to BTL by reason of such termination.

7.15 Overseas Private Investment Corporation - (OPIC) - The Government shall support any application by ICC and/or BTL to the Overseas Private Investment Corporation (OPIC) for investment financing or insurance coverage in connection with ICC's obligations under this Agreement. ICC will not seek and the Government will not provide any funds, monies, credits or guarantees to ICC or BTL.

7.16 SPECIAL COVENANTS BY THE GOVERNMENT

The Government as a special representation to ICC covenants and undertakes as follows:

7.16.1 Return on Capital Investment. Rates to be charged to subscribers except

for those regulated by the Public Utilities Commission (PUC) in accordance with section 26 of the Belize Telecommunications Act (2002) shall be determined by the principles of supply and demand in the market. For those rates that must be regulated by the PUC, the Government and ICC will submit the agreed return on capital investment of 15% per annum after tax to the PUC for their consideration in the determination of the regulated rates.

7.16.2 Management Services. If BTL shall engage ICC or any of its subsidiaries to render any management services, BTL shall pay fees and foreign currency in such amounts as the Board of Directors of BTL shall approve and the repatriation of such fees to the United States of America, its territories and possessions shall not be subject to currency restrictions, withholding taxes, or other taxation by the Government.

7.16.3 Foreign Exchange Controls. The Government covenants and undertakes to permit BTL, without restriction, to make payments in foreign currency to:

- (a) International Correspondents.
- (b) Creditors of BTL of debt denominated in foreign currency.
- (c) Suppliers of imported supplies of equipment, materials and services used and needed by BTL's operations, and
- (d) ICC by way of dividends declared on shareholdings or other sums due from BTL.

7.16.4 Withholding Tax. The Government covenants and undertakes that until such time as ICC has recovered the value of its investment in BTL, the repatriation of dividends to ICC and the payment of interest on debt denominated in foreign currency shall not be subject to withholding tax.

SECTION 8
REPRESENTATIONS OF ICC

ICC represents and warrants:

- 8.1 Corporate Structure of ICC - ICC is a private limited company duly established and incorporated, validly existing and in good standing under the laws in operation in the United States Virgin Islands.
- 8.2 Authority - ICC has taken all action required by law required to authorize the execution and delivery of this agreement, and this agreement is a valid and binding agreement of ICC in accordance with its articles of incorporation and governing instruments. The undersigned party executing this agreement on behalf of ICC has been duly authorized by the Board of Directors of ICC to execute this agreement.
- 8.3 Investment Interest - ICC is acquiring the shares of BTL for its own account for investment and not with a view to the sale or distribution of the whole or part of it to any other person.
- 8.4 Capability - ICC has the requisite human resources and capital and ability to raise financing to perform all of its obligations and undertakings required by this Agreement.
- 8.5 Bankruptcy - ICC is not bankrupt, has not been and is not subject to any insolvency proceedings, nor has it filed for nor is it in any other way involved in any proceedings for re-organization of the Company or in any similar proceedings which would affect ICC's capacity to assume the obligations under this Agreement or its ability to perform its obligations hereunder.

SECTION 9

CONSIDERATION

Section 5.3 shall govern the Purchase Price and transfer of the Purchased Shares to ICC on the Closing Date.

SECTION 10

CONDITIONS PRECEDENT TO OBLIGATION OF ICC.

The obligation of ICC to purchase the Purchased Shares pursuant to this Agreement is subject to the satisfaction at or before Closing of all the following conditions:

- 10.1 Accuracy of Representations and Warranties - The representations and warranties of the Government contained in this Agreement shall be true in every material respect on and as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of such date, except to the extent attributable to actions consented to in writing by ICC.
- 10.2 Performance of Agreements - The Government shall have performed all obligations and agreements required to be performed by it and complied with all terms and conditions required to be complied with by it, hereunder, on or prior to the Closing Date.
- 10.3 Certificate - The Government shall have furnished ICC with a certificate dated the Closing Date, to the effect that the Government has fulfilled the conditions specified in subsections 11.1 and 11.2 of this Section.
- 10.4 Opinion of Counsel for the Government - ICC shall have received a favorable legal opinion from Counsel for the Government, dated as of the Closing Date, in the form and substance reasonably satisfactory to ICC and its counsel, to the effect that -

- (a) The Government has full right, power and authority to enter into this Agreement;
- (b) The Government has full right, power and authority to cause the Shares to be transferred to ICC;
- (c) This Agreement and the instruments of assignment and transfer and delivery of the Shares required hereunder, have been duly executed and delivered by or on behalf of the Government and constitute a legal valid and binding obligation of the Government;
- (d) Any legislation enacted by the Government to give effect to this Agreement shall be consistent with the Governments' obligations as set forth in this Agreement;
- (e) The representations by the Government in Section 7 of this Agreement will survive Closing and will remain a binding legal commitment.
- (f) BTL has been granted all necessary licences and permits and has all the requisite authorizations necessary to provide national and international telecommunications services pursuant to all the terms, conditions and obligations of the Parties to this Agreement.

SECTION 11

CONDITIONS PRECEDENT TO OBLIGATION OF THE GOVERNMENT

The obligation of the Government to cause to be transferred to ICC the Shares pursuant to this Agreement is subject to the satisfaction at or before Closing of all the following conditions -

- 11.1 Accuracy of Representations and Warranties - The representations and warranties of ICC contained in this Agreement shall be true in every material respect on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date, except to the extent attributable to actions consented to in writing by the Government.
- 11.2 Performance of Agreements - ICC shall have performed all obligations and agreements required to be performed by it and complied with all terms and conditions required to be complied with by it, hereunder, on or prior to the Closing Date.
- 11.3 Certificate - ICC shall have furnished the Government with a certificate dated the Closing Date to the effect that ICC has fulfilled the conditions specified in Subsections 12.1 and 12.2.
- 11.4 Opinion of Counsel for ICC - The Government shall have received a favorable legal opinion of counsel to ICC, dated as of the Closing Date, in form and substance reasonably satisfactory to the Government and its counsel, to the effect that -
- (a) ICC is a corporation duly organized, validly existing and in good standing under the laws of the United States Virgin Islands;
 - (b) ICC has the full right, power and authority to enter into this Agreement to purchase the Shares to be sold to it hereunder;
 - (c) This Agreement has been duly executed and delivered by ICC and constitutes a legal, valid and binding obligation of ICC;
 - (d) The Representations by ICC in Section 8 of this Agreement shall survive Closing and shall remain a binding legal commitment.

SECTION 12

CLOSING

- 12.1 Time of Closing Upon receipt of the certificates of the Government and ICC specifying that they have each fulfilled the obligations specified in this agreement, and upon receipt of the favorable legal opinions of counsel for the Government and counsel for ICC specified at subsections 10.4 and 11.4, the parties shall proceed to close the sale. The closing shall take place on or before March 31, 2004, the Closing Date.
- 12.2 Location and facilities of closing - Closing shall take place at the office of the Prime Minister located at New Administration Building, Belmopan, Belize.
- 12.3 Delivery of Purchase Price and Shares At the time and date so appointed ICC shall deliver the purchase price specified in Section 9 to the Government and the Government shall deliver to ICC executed instruments of transfer together with the share certificates for the Purchased Shares specified in Section 4.1 in the form required by law for the immediate Acquisition of such shares by ICC.

SECTION 13

FORCE MAJEURE

- 13.1 Liability in the event of Force Majeure - No Party shall be held liable or deemed to be in default under this Agreement for any failure to perform obligations and duties hereunder if such failure has resulted directly or indirectly from Force Majeure, provided that that Party had taken all precautions to minimize the consequences of the Force Majeure. Acts of the Government taken in its Sovereign capacity are not acts of Force Majeure excusing the obligation or performance by the Government.
- 13.2 Notice of Force Majeure - In the event of force majeure, the Party so claiming shall notify the other Party in writing of the circumstances and the Parties shall meet

forthwith to determine the action to be taken.

- 13.3 Extension of Time for Force Majeure - Any period during which the event of Force Majeure continues shall be added to the time allowed to any Party to perform the obligation presented by the event of Force Majeure.

SECTION 14

INDEMNITY

- 14.1 Indemnity by Government - The Government agrees to hold ICC and BTL, or any one of them, and their respective directors, officers, employees and agents, harmless from and against all judgments, damages, losses, claims, fines, penalties, obligations, liabilities, settlements and expenses, including reasonable attorney's fees, arising out of -
- (a) any breach of any contractual provisions or covenant or any inaccurate or erroneous representations of the Government contained herein, in any Annexure attached hereto or in any certificate, agreement or other instrument duly executed and delivered by the Government pursuant to this Agreement;
 - (b) any failure of the Government to perform or comply with any provision, obligation or duty contained in this Agreement and required to be performed or complied with by the Government;
 - (c) any contractual arrangement or agreement which in any way, direct or indirect, increases the operating costs or acquisition costs of property, plant and equipment by and between BTL, on one hand, and on the other, Carlisle, a Carlisle subsidiary, Carlisle affiliate (interpreted in the broadest terms) or any person or entity including relatives affiliated in any way with any person in the management or in the ownership of Carlisle or any affiliated entity of Carlisle or its management and ownership; and

(d) any litigation set forth in Section 7.8 of this agreement.

14.2 Indemnity by ICC - ICC agrees to hold the Government and its officers, employees and agents harmless from and against all judgments, damages, losses, claims, liens, penalties, obligations, liabilities, settlements and expenses, including reasonable attorney's fees, arising out of -

(a) any breach of any contractual provisions or covenant or any inaccurate or erroneous representations of ICC contained herein, in any Annexure attached hereto or in any certificate, agreement or other instrument duly executed and delivered by ICC pursuant to this Agreement; and

(b) any failure of ICC or BTL to perform or comply with any provision obligation or duty contained in this Agreement and required to be performed or complied with by ICC or BTL or both.

14.3 Making of Claims - All claims under this Agreement shall be made in writing within the time specified in Section 15 hereof.

SECTION 15

SURVIVAL OF AGREEMENT TERMS

15.1 Representations and Warranties - The representations and warranties which are included herein or in any Annexure attached hereto, certificate, agreement or other instrument duly executed and delivered pursuant to this Agreement, and the remedies which are provided for herein to the extent that they relate to the said representations and warranties, shall survive the Closing.

15.2 Covenants and Certain Other Provisions - Any covenant or other provision of this Agreement which by its nature and content is applicable to the operation of BTL and

ICC or any one of them, including legislative and regulatory matters represented in Section 7 shall be effective and survive Closing, and shall be binding on the Parties for a period equal to the term of the licence granted to BTL by the Public Utilities Commission of Belize dated December 23, 2002, or any renewals thereof, granted in respect of such operations plus two (2) years.

- 15.3 Other Provisions - Any provision of this Agreement not included in Subsections 15.1 and 15.2 of this Section shall survive Closing, and shall be binding on the Parties, for a three (3) year period after Closing.

SECTION 16

GOVERNING LAW; WAIVER OF SOVEREIGN IMMUNITY; SUBMISSION TO JURISDICTION

- 16.1 Governing Law - This Agreement shall be construed under and in accordance with the laws of Belize.
- 16.2 Waiver of Sovereign Immunity - The Government agrees to waive any defense of sovereign immunity and consents to suit, if necessary, and binding arbitration to resolve disputes concerning the interpretation and enforcement of this Agreement.
- 16.3 Submission to Jurisdiction - For the purpose of resolving disputes regarding this Agreement, or arising therefrom, the Government, ICC and BTL submit to the jurisdiction of the courts of Belize, to the extent such dispute is not subject to mandatory arbitration under the terms of Section 20. Without prejudice to the above, and any other provision of this Agreement, the Parties agree in writing to resolve any dispute between them regarding this Agreement, or arising therefrom, by arbitration conducted as set forth in Section 20 - Dispute Resolution.

SECTION 17

WAIVERS

17.1 Extension of Time and Waivers - Any Party to whom any obligations is due under this Agreement may by written notice to the Party from whom performance of the obligation is due -

- (a) extend the time for the performance of any of the obligations or the taking of other action under this Agreement;
- (b) waive inaccuracies in the representations and warranties of the other contained in this Agreement, in any Annexure hereto, or in any certificate issued hereunder;
- (c) waive compliance with any of the covenants or conditions contained in this Agreement; or
- (d) waive or modify performance of any of the obligations under this Agreement.

Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including, but without any limitation, any investigation by or on behalf of any Party, shall be deemed to constitute a waiver, by the Party taking such action, or compliance with, or performance of, any representations, warranties, covenants, conditions or obligations contained in or under this Agreement.

17.2 Waiver of Breach Not to Extend to Subsequent Breach - Any waiver by a Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

SECTION 18

EFFECT OF HEADINGS

The headings of the various Sections and paragraphs herein are inserted merely as a matter of convenience and for reference and any such heading shall not be construed as in any manner defining, limiting or describing the scope or intent of the particular Section or paragraph to which it refers, or as affecting the meaning or construction of the language in the body thereof.

SECTION 19

NOTICES

All notices which are required or may be given pursuant to this Agreement shall be in writing and shall be sufficient in all respects if delivered in person or mailed by registered, certified or express mail, postage prepaid, as follows:

To the Government:

Honorable Ralph Fonseca
Minister of Finance and Home Affairs
New Administration Building
In the City of Belmopan, Belize

To ICC:

Mr. Jeffrey J. Prosser, Chairman
Innovative Communications Corporation
Chase Financial Center
P.O. Box 1730
St. Croix, USVI 00821

TO BTL:

When Acquired, at the address of its registered office, or at such other address as any of the above parties shall have designated by notice in writing to the other parties.

SECTION 20

DISPUTE RESOLUTION

- 20.1 Sovereign Immunity - The Government agrees to waive any defense of Sovereign immunity. ICC and the Government consent to submit disputes concerning the interpretation and enforcement of this agreement to binding arbitration. In the event that a judicial enforcement or interpretation of the arbitration provisions of this agreement would be needed, the Government, and ICC, agree and shall submit themselves to the jurisdiction of the courts of Belize. The parties recognize the sovereignty of Belize and its rightful position among the family of nations. No part of this agreement shall be construed as requiring the Government to submit to the jurisdiction or authority of the national courts of any other country.
- 20.2 Arbitration - All disputes arising under this agreement, whether contractual or not, shall be finally settled under the United Nations Commission on International Trade Law (UNCITRAL) rules of conciliation or arbitration by three arbitrators. One arbitrator shall be jointly appointed by the parties. One arbitrator shall be appointed by the Government, and one arbitrator shall be appointed by ICC. In the absence of agreement on the jointly appointed arbitrator, the arbitrators named by the parties arbitrator shall appoint the third arbitrator. Arbitration shall take place at Toronto Ontario, Canada. English shall be the language of arbitration. Each party shall be entitled to present no more than three days of testimony or evidence to the arbitration panel in support of their position. The arbitration shall take place no later than 180 days after notice of the arbitration is given. The arbitrators shall make a decision within fifteen days of the arbitration, and the decision shall be no longer than twelve pages in length. The cost of the arbitration shall be born equally by the parties, except that each party shall bear its own costs of preparation, counsel and presentation. A prevailing party shall be entitled to an award of reasonable attorneys fees and costs made by the arbitrator as a part of the arbitration award. If a party refuses to submit to arbitration, the other party may proceed ex parte. All arbitrators shall be Canadian citizens. Arbitrators may hold dual citizenship, but no arbitrator may be a national of

the United States of America or Belize.

The parties specifically agree that the agreement to arbitrate and the award of arbitration may be enforced in Belize under the terms of the United Nations Convention for the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958 (New York Convention) and in the United States of America, including any state, territory, or possession under the terms of the United States (federal) Arbitration Act, 9 U.S.C. 1 et. seq., as amended. The obligation of arbitration and any award of arbitration shall be binding upon the parties.

- 20.3 Mediation - Non-Binding - The parties agree to submit all controversies arising before or after the closing date to mediation to be governed by the laws of Belize, before submitting the controversy for decision to any arbitral tribunal. Each party shall bear its own costs incurred in respect of mediation, and the expense of mediation and mediator shall be borne equally by the parties. In the event that the parties are able to resolve their dispute through mediation, the parties shall memorialize any agreement reached in mediation, and the agreement between the parties shall become a part of this agreement and enforceable as such by arbitration or submission to the national courts of the parties. Mediation is a non-binding procedure, and neither party shall be under a duty to enter into a Mediation Agreement.

SECTION 21

- 21.1 Assignment and Succession. ICC shall have the right by notice to the Government, to assign all of ICC's rights and delegate all of ICC's duties under this agreement. In the event of such assignment, all references to ICC in the agreement thereafter shall mean such assignee, and upon assumption by the assignee, the assignor ICC, shall have no further liability under this agreement; provided, the assignee may only be a new subsidiary of ICC, or some other company within ICC's corporate group under the control of ICC.

SECTION 22

GENERAL PROVISIONS

- 22.1 Severability Construction. The invalidity of any provision of this agreement as determined at the time of arbitration, or by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof, so long as the original purpose of the agreement is not substantially frustrated by reason of this severance of such provision. This Agreement shall not be construed either for or against a particular party by reason of draftsmanship or otherwise, but rather, shall be interpreted in accordance with the general tenor of the language in order to reach an equitable result. The reference to any exhibit in this agreement, unless the context clearly indicates otherwise, shall be deemed to be a reference to the corresponding exhibit attached to this agreement, if any, which shall be deemed to be incorporated by reference into this agreement as if set out in its entirety.
- 22.2 Entire Agreement. The parties confirm that this is the entire agreement between them with respect to the acquisition by ICC of the Purchased Shares. No party shall be bound by any terms, conditions, statements, or representations, oral or written, not contained herein. It is mutually understood and specifically agreed that this agreement is binding upon the parties, their respective successors, and assigns.
- 22.3 Charges. No modification of this agreement shall be valid or binding unless such modification is in writing, duly dated and signed by all parties to this agreement.

SECTION 23

GENERAL DUTY OF CONFIDENTIALITY AND TRADE SECRETS

the parties undertake that subject to the laws of Belize the terms of this Agreement, and all information gathered to comply with the terms and conditions of this agreement shall be and remain confidential to the parties, their financiers, and any other persons or parties mutually agreed by them. Neither party shall disclose this agreement or its

contents to any unauthorized third party without the consent of the other. The parties further state that the information gathered during the compliance process shall be considered a trade secret and proprietary information, except to the extent that such information has been disclosed by public or semi public documents of the parties.

All confidential matters or matters comprising a trade secret or proprietary information may only be disclosed by the parties to their agents and representatives, including financiers; and it shall be the express duty of each party to obtain such secrecy or confidentiality agreements as may be necessary to preserve the confidences, secrets, and proprietary information of BTL, ICC, the Government or their respective successors and assigns.

During the course of compliance with the terms and conditions of this agreement, the parties also undertake that they shall deal exclusively with each other in all matters to which this agreement relates, and that neither shall make any offer or propose any arrangement with any other person or entity for the sale or acquisition of the Purchased Shares or payment of the consideration to which this agreement relates.

Executed on behalf of the Government of Belize this ____ day of _____, 2004
at _____, Belize:

For the Government of Belize

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

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 Prosser, Chairman and President