


**DATED:** 11 January 2008 ~~December 2007~~

BY THIS BOND WE, **JOHNSTON INTERNATIONAL LIMITED** (Company No: 2418) whose registered office is at Governor's Road, Leeward, Providenciales, Turks and Caicos Islands, British West Indies ("the Contractor") and **THE BELIZE BANK (TURKS AND CAICOS) LIMITED** whose registered office is at Centre Mews, PO Box 270, Providenciales, Turks and Caicos Islands, British West Indies ("the Surety"), are held and firmly bound jointly and severally to **INTERHEALTH CANADA CONSTRUCTION & SERVICES (TCI) LIMITED** (Company No: 11320) whose registered office is at Richmond House, PO Box 127, Leeward Highway, Providenciales, Turks and Caicos Islands, British West Indies ("the Employer", which term shall include all permitted assignees under this deed) in the sum of six million, five hundred and seventy-seven thousand four hundred and fifty-nine USD (\$6,577,459) ("the Secured Amount") for the payment of which sum the Contractor and Surety hereby bind themselves, their successors and assigns jointly and severally on the conditions set out in this deed.

**RECITALS:-**

- A. The Contractor has entered into an agreement dated 11 January 2008 ~~December 2007~~ ("the Contract") with the Employer, inter alia, for the carrying out and completion of the works therein referred to ("the Works") on Providenciales and Grand Turk, more specifically described in the Contract.
- B. The Crown (in right of its Government in the Turks and Caicos Islands) ("TCIG") and Interhealth Canada Infrastructure (TCI) Limited ("the Provider") have entered into an agreement on or about the date of the Contract for the provision of primary and secondary healthcare services for the Turks and Caicos Islands ("the Project Agreement").
- C. The Employer has agreed to make an advance payment to the Contractor under the Contract ("JIL Advance Payment") in relation to the carrying out and completion of the Works in return for an advance payment bond in the form of this Bond issued by a bank acceptable to the Employer.
- D. The Surety is a bank acceptable to the Employer and has agreed to enter into this Bond accordingly.

NOW, in consideration of USD \$10 (receipt of which is hereby acknowledged by the Contractor and the Surety), THE CONDITIONS OF THE BOND are as follows:




1 SURETY'S OBLIGATIONS

Upon demand served by the Employer upon the Surety from time to time or at any time hereunder which shall state (a) that it is made under this Bond, (b) that the Employer is entitled to make the demand in accordance with the terms of the Contract, (c) the sum claimed by the Employer and (d) the maximum amount of the Surety's liability under this Bond at the date of presentation of the said demand to the Surety and which is accompanied by a written statement signed by the Engineer appointed under the Contract certifying that in its opinion the amount claimed is due and payable by the Contractor to the Employer in accordance with Sub-Clause 14.2C of the Contract, the Surety shall without proof or further conditions or any set-off, counterclaim or any other deduction and within 10 working days of receipt of such demand, pay to the Employer the sum claimed by the Employer as stated in the said demand up to the maximum amount of the Surety's liability under this bond.

2 ALTERNATIONS AND INDULGENCE

The Surety hereby agrees that no variation or alteration to the terms of the Contract or the extent, nature or method of performance of any of the Works to be carried out thereunder, no allowance of time, waiver, forbearance, forgiveness, compromise or other dealing under or with the Contract or any right or remedy arising thereunder, no invalidity, illegality, unenforceability or irregularity of the Contract or of any provision thereof, no other bond, security or guarantee now or hereafter held by the Employer for all or any part of the Contractor's obligations under the Contract or any release or waiver of any such bond, security or guarantee, no winding-up, liquidation, receivership, administration, voluntary arrangement or other composition with creditors (or any event analogous to any of them) of the Contractor and no other act or omission which (but for this provision) might have operated to release, exonerate or discharge the Surety or otherwise reduce, extinguish or adversely affect any liability of the Surety under the terms hereof shall in any way, release, exonerate or discharge the Surety from any liability under the terms of this deed or reduce, extinguish or otherwise adversely affect any such liability, and the Surety hereby waives notice to it of any such event. Notwithstanding and without prejudice to any provision of this Clause 2, the Surety agrees that any reference to the "Contract" within this Bond shall refer to the agreement entered into dated on or about the date of this Bond and shall disregard any subsequent amendments, variations or modifications for the purposes of this Bond.



3        **REDUCTIONS IN LIABILITY**

The maximum amount of the Surety's liability under this Bond shall initially be the Secured Amount but shall reduce automatically by an amount that is equivalent to each sum which is to be taken into account and off-set against interim payments under the Contract in accordance with clauses 14.2B and 14.2C of the Contract until such time as the Surety's liability under this Bond has reduced to nil.

4        **PERIOD OF ENFORCEABILITY**

The obligations of the Surety hereunder shall be continuing and shall remain in full force and effect until the JIL Advance Payment has been fully amortised in accordance with Sub-Clause 14.2B of the Contract or until this Bond shall have been paid in full or until the Surety's liability under this Bond has reduced to nil whichever shall first occur.

5        **SURETY'S AGGREGATE LIABILITY**

Notwithstanding anything else herein contained, the aggregate liability of the Surety hereunder shall not exceed the Secured Amount as reduced from time to time in accordance with Clause 3.

6        **PAYMENT**

Any payment made under this Bond shall be immediately and freely available United States Dollars free and clear and without any deduction for or on account of any present or future taxes, levies, imposts, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

7        **BOND IRREVOCABLE**

This Bond is of a continuing nature and constitutes direct, primary, irrevocable and unconditional obligations by the Surety.

8        **ASSIGNMENT**

This deed or the benefit hereof may be assigned by the Employer an unlimited number of times and without the consent of the Surety or the Contractor to:

- (a)        the Provider;
- (b)        the Funders (as defined in the Project Agreement);



(c) any step-in entity or novatee of the Funders (as defined in the Contract) under any direct agreements with TCIG and with the Employer;

(d) any entity replacing the Provider in relation to the whole or any part of the Works or the completed Works;

and to any other person with the consent of the Surety, such consent not to be unreasonably withheld or delayed.

9 CLAIMS PROCEDURE

Any demands, claim or other notices to be served upon the Surety hereunder shall be in writing and shall be served:

- personally by hand at the address stated in this Bond; or
- by facsimile to its facsimile number which is +1 649 941 5029 (with a copy to be sent by first class pre-paid post);

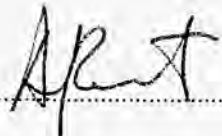
or such other address or number as the Surety may have previously notified in writing to the Employer. Any claims or other notices, if delivered personally, shall be deemed to have been served at the time of delivery or, if sent by facsimile, shall be deemed to have been served upon receipt of confirmation of transmission.


10 GOVERNING LAW

This Bond shall be governed by the laws of the Turks and Caicos Islands. Any action, suit, proceedings or dispute in connection with this Bond shall be finally settled under the ICC Arbitration Rules by a 3-member tribunal panel in accordance with the ICC Arbitration Rules. The place of the arbitration shall be deemed to be Paris, notwithstanding that hearings may be conducted in TCI or other locations in accordance with the ICC Arbitration Rules. The language of the arbitration shall be English.

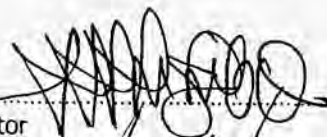
**IN WITNESS WHEREOF THE BELIZE BANK (TURKS AND CAICOS) LIMITED** and **JOHNSTON INTERNATIONAL LIMITED** have caused their respective common seals to be hereunto affixed and this Deed has been duly executed by **THE BELIZE BANK (TURKS AND CAICOS) LIMITED** and **JOHNSTON INTERNATIONAL LIMITED** on the date first above written.

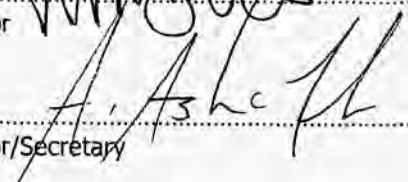
Executed as a deed and delivered by the said )  
**JOHNSTON INTERNATIONAL LIMITED** )  
by affixing its common seal in the presence )  
of: )

  
.....  
Director

  
.....  
Director/Secretary

Executed as a Deed and delivered by the said )  
**THE BELIZE BANK (TURKS AND** )  
**CAICOS) LIMITED** by affixing its common )  
seal in the presence of: )

  
.....  
Director

  
.....  
Director/Secretary