



Government of Bermuda
Ministry of Home Affairs
OFFICE OF THE MINISTER

By E-mail

April 15, 2014

“Without Prejudice”

Mr. Jai Pachai
Director/Snr. Counsel
Wakefieldj Quin
P.O Box HM809
Hamilton HM CX

Dear Mr. Pachai,

The Allied Trust and Allied Development Partners Ltd

We refer to your letter of March 2014 (specific day not included) and appreciate receipt and sight of the report by HVS Consulting and Valuation Services, a Division of CCG Holdings LLC.

There are obviously many considerations in respect of the contents of the report and we are actively continuing our review.

However, given that your client has experienced immediate losses as a result of the voiding of the Waterfront Agreements, as a show of good faith and to assist in mitigating your client's immediate losses, we are prepared to make an interim settlement payment reflective of your client's actual expenses to date. Such items could include but are not limited to:

1. Any legal fees incurred
2. Architectural fees
3. Consulting fees

We believe this to be a fair start that would allow your client to become "whole" in as far as immediate losses experienced. This offer should not preclude further settlement discussions on an expedited basis and we look forward to further fruitful discussions.

We are mindful of your client's previous offer of a possible financial guarantee arrangement in respect of the Par-La-Ville Hotel Development and are continuing to consider that offer. However, we would encourage your client to also consider making a monetary offer to settle (over and above that, per the above) since it is the Government's aim to avoid an arbitration process.

Regards,


Sen. The Hon. Michael M. Fahy, JP
Minister of Home Affairs