

BY HAND

New Harbour Building Queens Highway P.O. Box F-42465 Freeport, Grand Bahama

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November 4, 1996

Captain Monselle Darville Freeport Pilotage Freeport, Grand Bahama

Dear Captain;

Re: PILOTAGE RE-ORGANIZATION

It is the intention of the Freeport Harbour Company to own and operate a Marine Pilotage Services Company.

Freeport Harbour Company is prepared to take over your existing Pilotage Company, or, establish a new wholly owned subsidiary. To this end Freeport Harbour Company would like to enter into discussions with Freeport Harbour Pilots in order that we may arrive at a mutually agreeable arrangement.

It is our intention to offer contracts of employment to all three Harbour Pilots, namely M. Darville, C. Ritchie and E. Johnson. The Harbour Pilots will become employees of the Pilotage Company with no loss of salary, but, as employees, they will become entitled to a benefit package on par with benefits currently enjoyed by other Freeport Harbour Company employees.

The changes outlined above cannot be implemented until we receive approval from the Freeport Harbour Company Board of Directors. However, as an interim measure and in recognition of your increased work load. Freeport Harbour Company is prepared to hire an additional Pilot on a short-term contract basis. These changes will only work satisfactorily with the co-operation of all parties involved.

I look forward to an early meeting with all Freeport Harbour Pilots to discuss these matters.

Sincerely,

FREEPORT HARBOUR COMPANY LIMITED,

D. W. Duncan

Port Operations Manager

cc:

Mr. M.J. Power

Mr. Clifton Ritchie

Capt. M. O' Brien Mr. E. Johnson