

SEASON'S GREETINGS FROM SCHOONER BAY

2010 was an important year for Schooner Bay, one that brought great strides in village infrastructure development and several firsts for sustainability in The Bahamas. You'll see a few of the year's major milestones highlighted in this brief Christmas edition of our bi-monthly newsletter (in addition to a thrilling story about the delivery of Schooner Bay's new plane, which proves modern aviation can still be an adventure!). It is often all too easy to overlook the more prosaic aspects of community development associated with the infrastructure phases, but their importance to the long-term well-being of a community cannot be overstated. The infrastructure projects that occupied much of our time in 2010 have literally laid the foundation for the residential and civic character of Schooner Bay, which will begin to take a more recognizable

shape in 2011 with the opening of the harbour and a wave of vertical construction and landscaping.

As the year draws to a close, we remember the words of the philosopher, Kahlil Gibran: "March on. Do not tarry. To go forward is to move toward perfection." In this spirit, all of us at Schooner Bay are pressing on eagerly into the New Year, full of excitement for what lies in store. 2011 will be a transformative year at Schooner Bay, and no one milestone will mark our progress more than the opening of the harbour basin - the defining feature of the first authentic Bahamian village to be built in over a century! As the only working harbour along 50 miles of centrally situated, but undeveloped and ecologically intact coastline, Schooner Bay will become a port of immense regional significance. The



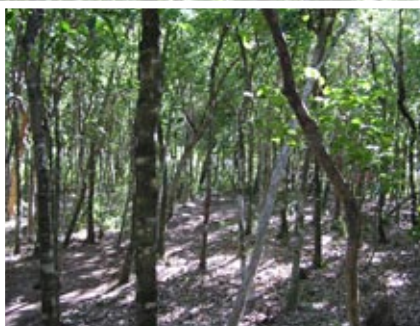
SEASON'S GREETINGS *cont'd*

opening of the harbour will energize Schooner Bay's development in many ways, perhaps most visibly in 2011 with the onset of large-scale vertical construction in the village. Residential construction on the harbour island, where 90% of the lots have been sold, will commence at a brisk pace, and a mix of commercial and residential construction elsewhere in the village is also slated for the New Year. Also in the design stages for 2011 are a food store, boutique hotel, arts and craft studio, medical clinic, farmer's market, Black Fly Bonefish Lodge and Schooner Passage (a 17-unit retail/residential complex).

This year has given us much to be thankful for, and next year gives us much to look forward to. But, regardless the stage of completion, the common thread running through development at Schooner Bay is our unwavering commitment to sustainability and resource preservation. As John Sawhill, former president of The Nature Conservancy, rightly observed: "In the end, our society will be defined not only by what we

create, but by what we refuse to destroy." Schooner Bay has preserved fully two-thirds of the village eco-system, only building on the least productive parcels of land. We have rehabilitated the beach and dune systems as well as the spectacular old-growth coppice. We have committed substantial resources to developing farming and indigenous horticulture in the community. Finally, we have spent years creating and refining a design code and development plan that prioritizes sustainability, responsibility and authenticity at all levels of operation. This commitment has been at the very core of Schooner Bay's identity since its inception, and will continue to guide our progress every step of the way. We hope you look forward to seeing it manifest in new and exciting ways in 2011!

*Best Wishes and Happy New Year,
The Schooner Bay Team*





2010 YEAR-END PROGRESS REPORT



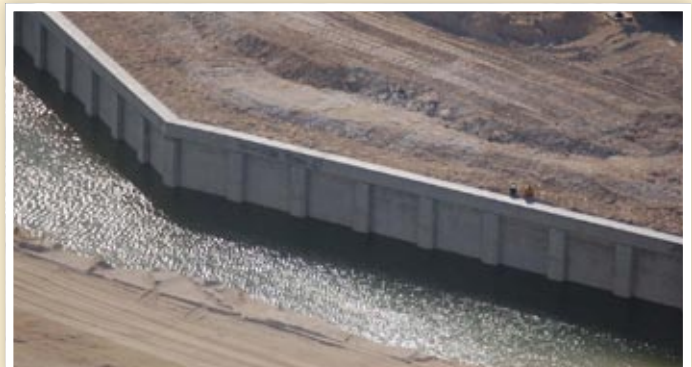
We are pleased to announce the following milestones at Schooner Bay:

Completion of Excavation and Grading – Schooner Bay’s two-year fill and topsoil program has come to an on-time completion. This program ensured that no finished floor at Schooner Bay will be less than 10 feet above sea level. That affords protection in storms and also provides sea breezes to cool the homes in warm months. Lots are also covered with a generous layer of topsoil, which is unique in the Bahamas. Added to this is the 200,000 trees program, which will ensure that the village of Schooner Bay has a protective canopy to shade homes and streets alike.

All major rough road bases have been completed for all phases of development. The roads are constructed from naturally-occurring limestone that has been packed and graded, creating a beautiful and durable surface from local materials. The completion of this phase of the project is a major accomplishment for Schooner Bay’s

engineers. Everyone at Schooner Bay wishes to thank and congratulate our world-class team of engineers for their achievements in this critical stage of construction!

Completion of Island Seawall – The final stages of seawall construction for the harbour island are underway and should be finalized by the end of the year. Residential construction on the island will commence once the bulk-heading is completed, and the first eight island cottages are slated for immediate construction in the New Year. Shortly thereafter, construction of the remaining 16 island homes will begin.





2010 YEAR-END PROGRESS REPORT

Development of Active Farming and Horticulture

Propagation – As should be expected from a community that values true ecological sustainability, Schooner Bay has significantly developed its agricultural and horticultural capabilities in these early stages of construction. Some of Schooner Bay’s farmland has been allotted to local South Abaco farmers, while the rest is being cultivated by the skillful hand of Mr. James Key, a Cherokee Sound native and Schooner Bay’s first full-time farmer. Schooner Bay’s plant nursery is also flourishing; in 2010 we tripled the capacity of our potting shed operation, which now has thousands of indigenous seedlings being grown for village and residential landscaping.

Business Development – 2010 was a productive year for business development in Schooner Bay. We saw a broad range of Bahamian businesses commit to the community, including Black Fly Outfitters, Ricardo Johnson’s Eco-Tours, Bahamas National Trust, Schooner Bay Food Company, Antonius Roberts’ Art Studio at The Commons and Joe’s Ribs at The Commons. We are currently in discussions with a number of respected Bahamian professionals across a wide range of sectors about further business development within the community.





SCHOONER BAY TAKES DELIVERY OF NEW ISLANDER AIRCRAFT



Schooner Bay is the proud owner of a new Britten-Norman Islander aircraft. The twin-engine plane seats up to eleven people, and is renowned as one of the industry's safest, simplest and most efficient aircrafts. We recently took delivery of the plane in Fort Lauderdale after its week-long journey from Isle of Wight. Delivering the plane was no less than the Deputy Chairman of Britten-Norman himself, Maurice Hynett. Read on for Maurice's rousing account of the delivery:

I set off last Wednesday – all alone – from the Isle of Wight to Stornoway, (Hebrides, Scotland) with a night stop in Reykjavik (Iceland). There were headwinds all the way, and I flew for more than 9 hours that day. Bear in mind that I had no autopilot.

On Thursday, I refuelled at Kulusuk, in Greenland. Once I had climbed out of the bad weather at Kulusuk, the flying conditions were magnificent. I flew low level over the Greenland Ice Cap, which rises as high

as 10,000 ft. I flew for 2 hours at between 8 and 9,000 ft in glorious sunshine with the ice close below me, brilliant white in all directions. I was talking to no-one and there was nothing man-made in sight. After refueling again at Kangerlussuaq (still Greenland), I made a night stop at Iqaluit (Baffin Island – Canada's North West Territories), where I had landed at night in 1 mile visibility and 300ft cloud base, in heavy snow, after flying for more than 9.5 hours in the day.

On Friday, I only got as far as the south coast of the entrance to Hudson Bay – Kuujuaq. Here they refused to refuel me, although they agreed to sell me AVGAS in 200 litre barrels. I had to leave the airport to buy a hand pump, a funnel and a jerry can. With these “tools”, I managed to refuel the aircraft all by myself. It took me over 3 hours to do the job, so I couldn't press on that day because I'd missed the weather, which had closed in as I worked.



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The next day I made Sept Iles (Quebec – on the St Lawrence Seaway), having refueled and de-iced at Wabush (Labrador and Newfoundland). I'd been carrying so much ice out of Kuujuaq that I was losing about 25 knots of airspeed on my flight to Wabush – hence the need to refuel there. After a

spray with warm glycol, most of the ice disappeared and my performance into Sept Iles improved significantly. Throughout my time in Quebec, I had needed to speak French – most Quebecois genuinely do not speak English.

On Sunday morning, US Customs processing at Bangor (Maine) was swift and entirely courteous. It didn't do any harm at all that the senior Customs Officer (born and bred a US citizen) went to the "royal" school in Scotland, Gordonstoun – where, as I explained to him, both my son and my grandson did their time. Instant rapport! Of course, it helped that all the required documentation was completed and in place for the temporary importation of the aircraft into USA for avionics work in Florida.

Immediately after Customs clearance, I took off for a 4.5 hour flight to Virginia Beach, where my friends at the Fighter Factory pumped nitrogen into the nose-wheel oleo. The flat oleo had been the only unserviceability suffered on the journey through the Arctic. It had been caused by temperatures down to minus 20C, so a repeat

of the problem in the Bahamas is not anticipated!

I took a morning off at Virginia Beach to fly – purely for pleasure - my friend's de Havilland Rapide, a veteran bi-plane mini-airliner. By lunch time I was on my way south again, not really knowing where I would spend the night. I decided to fly until sunset or until the fuel state demanded a landing, and then touch down at a convenient airfield.

And so it was that I landed at St. Simons Island, a luxury golf resort in Georgia, where the aircraft was very much admired by all at the FBO, both staff and visiting pilots. In fact, the aircraft had been admired pretty well all the way from Scotland, and its performance lived up to its good looks.

I handed the aircraft over to Avionics Masters the following day in Fort Lauderdale. As always in ferry flying, the aircraft becomes a friend. I was sorry to part with it.

