U.S. Department of Justice
Washington, DC 20530

Exhibit A
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0005

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney Genreral transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant: Atlantic Gulf Communities Corporation
2601 South Bayshore Drive
Miami, Florida 33133-5461

2. Registration No. 5000

3. Name of foreign principal: Nanjing Ya Dong International Corporation, Ltd.

4. Principal address of foreign principal: Golden Mountain Plaza
Suo Jin Cun, No. 5
Long Pan Road
Nanjing, China 210042

5. Indicate whether your foreign principal is one of the following type:

☐ Foreign government

☐ Foreign political party

☒ Foreign or ☐ domestic organization: If either, check one of the following:

☐ Partnership ☐ Committee

☒ Corporation ☐ Voluntary group

☐ Association ☐ Other (specify) _____

☐ Individual—State his nationality _____

6. If the foreign principal is a foreign government, state: N/A

a) Branch or agency represented by the registrant.

b) Name and title of official with whom registrant deals.

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CRIMINAL DIVISION
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INTERNAL SECURITY
REGISTRATION SECTION
UNIT

7. If the foreign principal is a foreign political party, state: N/A

a) Principal address

b) Name and title of official with whom registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

Land planning, development, engineering, infrastructure planning, sales and marketing for theproject which is located in the municipality of Nanjing.

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes ☒ No ☐

Directed by a foreign government, foreign political party, or other foreign principal..... Yes ☒ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal ..... Yes ☐ No ☒

Financed by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☒

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☒

Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes ☐ No ☒

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

Foreign principal is 50/50, 30-year Sino-foreign joint venture between Atlantic Gulf Asia Holdings N.V., a Netherlands Antilles corporation and wholly-owned subsidiary of the registrant, and the Nanjing Xianlin Agricultural and Grazing Farm, a Chinese state-owned enterprise. Under the terms of the joint venture, the registrant contributed $10 million for its 50% interest and the Nanjing Xianlin Agricultural and Grazing Farm contributed the land for the development of Phase I of the project for their 50% interest.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

Date of Exhibit A	Name and Title	Signature
2/28/95	Julio J. Gonzalez, V.P.-Gen. Counsel	

U.S. Department of Justice
Washington, DC 20530

Exhibit B
To Registration Statement
Under the Foreign Agents Registration Act of 1938, as amended

OMB No. 1105-0007
Approval Expires Nov. 30, 1993

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney Genreral transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant	Name of Foreign Principal
ATLANTIC GULF COMMUNITIES CORPORATION	Nanjing Ya Dong International Corporation, Ltd.

Check Appropriate Boxes:

1. ☒ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☐ The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

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4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant's wholly-owned subsidiary, Atlantic Gulf Asia Holdings N.V., a Netherlands Antilles corporation, is a 50% owner of the foreign principal. Atlantic Gulf Asia Holdings N.V. signed and the foreign principal executed a joint venture contract and an agreement in September, 1993.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Strategic public relations activities, trade and investment promotion assistance (e.g. organizing trade delegation visits, arranging visits with U.S. business and civic leaders, etc.) and management of the sales and marketing activities as needed on behalf of the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1]
Yes ☐ No ☒

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B	Name and Title	Signature
2/28/95	Julio J. Gonzalez V.P. - Gen. Counsel	

[1]Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

*U.S. GPO: 1992-312-332/61638

DATED THIS DAY OF SEPTEMBER 1993

一 九 九 三 年九 月 日

NANJING HUAN DONG ENTERPRISE/
NANJING XIANLIN AGRICULTURAL AND GRAZING FARM
南京仙林農牧場/
南京環東實業總公司

AND
與

ATLANTIC GULF ASIA HOLDINGS NV
亞蘭灣亞洲控股有限公司

AGREEMENT
協議書

OF

NANJING YA DONG INTERNATIONAL CORPORATION LIMITED
南京亞東實業有限公司

GALLANT Y. T. HO & CO.
SOLICITORS & NOTARIES
JARDINE HOUSE
HONG KONG
何 韓 徐 律 師 事 務 所
香港怡和大厦

NANJING XIANLIN AGRICULTURAL AND GRAZING FARM/
NANJING HUAN DONG ENTERPRISE

AND

ATLANTIC GULF ASIA HOLDINGS NV

AGREEMENT

OF

NANJING YA DONG INTERNATIONAL CORPORATION LIMITED

GALLANT Y.T. HO & CO.
Solicitors and Notaries,

4th Floor, Jardine House,
1 Connaught Place,
Hong Kong

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AGREEMENT

Chapter 1: General Principles

1.1 Nanjing Xianlin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise) and Atlantic Gulf Asia Holdings NV in accordance with the "Law of the People's Republic of China on Sino-Foreign Equity Joint Ventures" and other relevant Chinese laws and regulations and based on the principles of equality and mutual benefit, after friendly consultation, have reached this agreement (the "Agreement") to develop the Xianlin Agricultural and Grazing Farm in Nanjing. The Parties hereby enter into this Agreement for both parties to observe.

Chapter 2: Definitions

2.1 In this Agreement and the Schedules hereto, unless the context otherwise requires, the following expressions have the following meanings:

"Basic Infrastructure"	means all the basic facilities like drainage facilities, water and electricity supply, road and communication facilities to be laid and constructed by the Joint Venture on the land of each Phase of development to enable connection thereof to the individual tracts of land of that particular Phase.
"Business Licence", "Duplicate Business Licence" and "Original Business Licence"	Business Licence" means the Business Licence of the Joint Venture issued by the Industrial and Commercial Administration Bureau and unless expressly provided otherwise, any reference to the term "Business Licence" shall include both the "Duplicate Business Licence" and the "Original Business Licence". "Duplicate Business Licence" shall mean the Business Licence issued by the Industry and Commercial Administration Bureau upon approval of the Joint Venture Contract, the Articles of Association and this Agreement and the Joint Venture shall be legally constituted at the date of the issuance of the Duplicate Business Licence. "Original Business Licence" shall mean the Business Licence issued automatically as of right upon Party B injecting 15% of its share of the registered capital to the Joint Venture Corporation within the time limit allowed for

	in the Joint Venture Contract. Pending the issuance of the Original Business Licence, the same Duplicate Business Licence shall have the same force and effect as an Original Business Licence.
"Comprehensive Development Plan"	means the master plan for the development of the Comprehensive Development Zone, a preliminary version of which is shown in Schedule 1 hereto which master plan is subject to modification from time to time by the Board of Directors.
"Comprehensive Development Zone"	means the land of about 18 square kilometres possessed by Xianlin Agricultural and Grazing Farm at Xian He Men, Xi Xia District, Nanjing. Its approximate location and boundaries are shown in the location map in Schedule 1 hereto. Said location map shall be replaced by a survey map showing the exact location of the Comprehensive Development Zone within 85 days of the issuance of the Duplicate Business Licence.
"Joint Venture"	means the company to be formed by the Parties hereto in accordance with the "Law of the People's Republic of China on Sino-Foreign Equity Joint Ventures" and the terms of this Agreement and the Joint Venture Contract.
"Board of Directors"	means the Board of Directors of the Joint Venture.
"Holding Company"	a company shall, for the purpose of this Agreement, be considered as a Holding Company of another company if the former holds not less than 51 percent of the issued share capital of the latter.
"PIPC Index"	means the price index of China published by the Chinese Government.
"Joint Venture Contract"	means a joint venture contract to be entered into by the Parties including all supplemental agreements to be entered into by the Parties in respect to the Joint Venture from time to time.
"mou"	means 666.67 square metres.

"Parties"	means Party A and Party B to this Agreement.
"Phase"	means any one phase of development of the Project
"Phase I Development Zone"	means about 2,000 mou of the Comprehensive Development Zone which will be developed as the first phase of the Project. Its approximate location and boundaries are shown in the location map in Schedule 2. Said location map shall be replaced by a survey map or a red-line map showing the exact location of the Phase I Development Zone within 45 days of the execution of the Joint Venture Contract.
"Phase I Project"	means the first phase of the Project.
"Project"	all business to be conducted as specified in Article 6.1 of this Agreement shall be collectively referred to as the "Project" in this Agreement.
"Saleable Land Area"	means the area of the land available to the Joint Venture for development and sale to investors (excluding the area of any land which cannot be developed or any land which is to be used for common or public use, government buildings, public utilities, roads greater than 24 meters wide, or any other land areas not available for sale to third parties). The location and extent of the Saleable Land Area are subject to confirmation and approval of the Parties.
"Subsequent Phases"	means all other Phases following the first Phase of the Project.
"Subsidiary Company"	a company shall, for the purpose of this Agreement, be considered as a Subsidiary Company of another company if not less than 51 percent of the issued share capital of the former are held by the latter.
"Year"	means the period from 1st January to 31st December of each year.

2.2 All references to Articles are to Articles of this Agreement and all references to sub-articles and paragraphs are references to sub-articles and paragraphs in the Articles in which the respective references appear.

2.3 Article headings are for ease of reference only and do not affect the construction of this Agreement.

Chapter 3: Parties to the Agreement

3.1 The Parties to this Agreement are:

Nanjing Xianlin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise) (hereinafter referred to as "Party A"), a state-owned enterprise duly incorporated under the Laws of the People's Republic of China with its legal address at Xian He Men, Xi Xia District, Nanjing, Jiangsu Province, China.

Legal Representative	:	Meng Rong-Hua
Position	:	General Manager
Nationality	:	Chinese
Citizenship	:	People's Republic of China

Atlantic Gulf Asia Holdings, NV (hereinafter referred to as "Party B"), a Netherlands Antilles Corporation with its registered address at c/o Antillean Management Corporation, "AMACO" NV, Scottegatweg-oost 130, P.O. Box 3141, Curacdo, Netherlands Antilles.

Legal Representative	:	J. Larry Rutherford
Position	:	Managing Director
Nationality	:	U.S.A.
Citizenship	:	U.S.A.

Chapter 4: Form of Joint Venture

4.1 The Parties hereto shall establish a Sino-Foreign Joint Venture in accordance with the terms and conditions of this Agreement. The name of the Joint Venture shall be: "南京亞東國際貿業有限公司" in Chinese, and "Nanjing Ya Dong International Corporation, Limited" in English.

4.2 The form of organization of the Joint Venture shall be a limited liability company. Creditors of the Joint Venture shall have recourse to the assets of the Joint Venture only.

Chapter 5: Purpose of Joint Venture

5.1 The purpose of the formation of the Joint Venture is to enhance mutual co-operation, to speed up the opening of the City of Nanjing to the outside world and the construction of the City's international metropolis and to create a first class environment and infrastructure for Nanjing's further development thereby generating economic benefits to both Parties.

Chapter 6: Scope of Business

6.1 The scope of business of the Joint Venture shall be:-

(a) to engage in the development and construction of tracts of land in conformance with the State policies after obtaining the land use right;

(b) to transfer or lease land with development rights to foreign individuals, organizations, entities, overseas Chinese and compatriots from Hong Kong, Macau and Taiwan and overseas Chinese settled down in China, as well as local individuals, organizations, units and entities;

(c) to engage in real estate development and to construct all types of buildings and ancillary facilities and utility services for sale or lease in China or outside China;

(d) to provide all kinds of services relating to real estate development and construction (including planning and structuring of real estate development projects, advising and supervising the design work, supervising the construction work and project management, handling all approval procedures, acting as agent for sale or leasing and providing property management service, etc.);

(e) to operate within the Comprehensive Development Zone hotels, restaurants, entertainment centres, shops, convention centres, clubs, golf courses, parks, utilities services, etc., and to provide other services facilities according to planning requirements.

Chapter 7: Scale of Business

7.1 The scale of business of the Joint Venture shall be as follows:-

The Phase I Project shall be the development of a piece of land of 2,000 mou within the Xianlin Agricultural and Grazing Farm at Xian He Men, Xi Xia District, Nanjing (approximate location of this piece of land is shown on the map annexed hereto as Schedule 2). This shall be the Phase I Project of the Joint Venture.

The remaining land of Xianlin Agricultural and Grazing Farm shall be developed by Phases. The total area of the Xianlin Agricultural and Grazing Farm is approximately 18 square kilometres, which shall be the Comprehensive Development Zone of the Project. (Its approximate location is shown on the map annexed hereto as Schedule 1.)

Chapter 8: Development by Phases

8.1 The Parties shall establish the Joint Venture to carry out the Phase I Project. The Parties further agree that they shall, after fulfillment all the requirements listed in Article 12.1 hereof (or after Party B has, by notice, waived all or any of the same), proceed to develop the Comprehensive Development Zone in accordance with the Comprehensive Development Plan by Phases. Provided however that the timing, size, location and plan for the development of the Subsequent Phases shall be determined by the Board of Directors from time to time in accordance with the market situation then prevailing.

8.2 Party A shall provide to the Joint Venture the land of the Phase I Development Zone and Party A shall also pay the relevant land use right assignment fee required to be paid. Party A shall further provide at no cost to the Joint Venture all the lands required in the Subsequent Phases. Provided however that the land use right assignment fee required to be paid in each of the said Subsequent Phases shall be borne by the

Joint Venture and the compensation for relocation should be dealt with in accordance with the provisions specified in Chapter 14 of this Agreement.

8.3 The Joint Venture is obligated to complete at least 40% of the Basic Infrastructure to the Phase I Development Zone within 3 years of the issuance of the Original Business Licence of the Joint Venture. The Joint Venture shall be obligated to complete all of the Basic Infrastructure of the Phase I Development Zone and at least 40% of the Basic Infrastructure to the next 2000 mou of Saleable Land Area before the end of the Year 2000. Said construction requirements shall be extended correspondingly if the provisions of 9.6(2), 11.1, 11.2 or 11.3, or those of 13.2 are delayed or not fulfilled.

8.4 The Parties agree, in principle, that any profits generated from any Phase of the development may be used, to such extent as may result in the maximum tax advantage to both Parties, for reinvestment into Subsequent Phases. The Board of Directors shall determine, within three (3) months of each fiscal year, the exact ratio between the profit distribution and profit retention for that fiscal year. Such decision shall be made with reference to the tax advantage abovementioned and the financial position of the Joint Venture at the material time.

Chapter 9: Total Investment Amount and Registered Capital

9.1 The total investment amount of the Joint Venture shall be in the region of US$30,000,000.00.

9.2 The registered capital of the Joint Venture shall be US$20,000,000.00.

9.3 The Parties shall contribute to the registered capital as follows:-

(a) Party A's contribution shall be the land of the Phase I Development Zone (with premium paid) as its investment, which is equivalent to US$10,000,000.00 accounting for 50% of the registered capital.

(b) Party B shall contribute US$10,000,000.00 representing 50% of the registered capital. Party B's contribution shall be converted at the swap rate quoted by the Foreign Exchange Swap Centre of China on the date of contribution.

9.4 Party A shall transfer the land use right of the Comprehensive Development Zone to the Joint Venture and shall complete the demolition of the buildings and structures and removal of the occupants of such Phase according to the construction schedule to be determined by the Joint Venture.

9.5 Party B shall pay its contribution to the registered capital in accordance with the following schedule:

(a) US$50,000.00 will be contributed within 14 business days of the signing of the Joint Venture Contract. If the Duplicate Business Licence for the Joint Venture is not issued within sixty (60) days of the signing of the Contract, Party B's initial US$50,000.00 contribution shall be refunded together with interest accrued up to the date of refund.

(b) An additional US$700,000.00 will be contributed within 30 days of the issuance of the Duplicate Business License to the Joint Venture.

(c) An additional US$750,000.00 will be contributed within 90 days of the issuance of the Duplicate Business Licence to the Joint Venture. Once Party B has made contribution up to US$1,500,000.00, an Original Business Licence shall automatically be issued to the Joint Venture forthwith.

(d) An additional US$2,500,000.00 will be contributed when:

(i) the official records of the Joint Venture show that 70% of the previously contributed US$1,500,000.00 has been expended; and

(ii) the Joint Venture has received financing commitments satisfactory to Party B and sufficient to complete the Phase I Project.

(e) An additional US$3,000,000.00 will be contributed when the officials records of the Joint Venture show that 70% of the previously contributed US$4,000,000.00 has been expended.

(f) A final additional contribution of US$3,000,000.00 will be made when the official records of the Joint Venture show that 70% of the previously contributed US$7,000,000.00 has been expended.

The Parties agree that notwithstanding the provisions of the above contribution schedule, and subject to the extension hereinafter mentioned, Party B will contribute the full amount US$10,000,000.00 registered capital within 18 months of the issuance of the Original Business Licence to the Joint Venture.

PROVIDED HOWEVER THAT if any of the requirements set out in Article 11.1(1) to (3), (6) to (10), Article 11.2 or Article 13.2 (2) and (3) cannot be fulfilled within the time period prescribed in the Contract, then the timing of payment of the respective sums set out in (b) through (f) above will be extended correspondingly.

The Parties further agree that Party A and Party B may submit to the Board of Directors bills for certain items paid by the respective Parties for the preparation of the Project for the benefit of the Joint Venture during the planning stage prior to the formal formation of the Joint Venture. Upon approval from the Board of Directors, such expenses shall be reimbursed to the relevant Party by the Joint Venture.

9.6 (1) The deficiency between the total investment amount and the registered capital may be financed by loans borrowed by the Joint Venture from banks, financial institutions, other local or overseas companies or individuals. The Joint Venture may put up all or any of its assets, rights and interests as security.

(2) If within 90 days after the issuance of the Duplicate Business Licence to the Joint Venture Corporation, the Joint Venture Corporation has failed to obtain financing commitments necessary to carry out the Phase I Project, on terms and conditions satisfactory to Party B, Party B's obligations to make further capital contributions pursuant to Article 9.5(c) shall be extended and through friendly consultation, the Parties may adjust the development schedule of Phase I Project and neither Party will be liable for breach of this Contract.

9.7 The profits, risks and losses of the Joint Venture shall be shared by the Parties in the ratio of 50:50.

9.8 Party B may legally convert into foreign currency and remit out of China at any time all the profits received by it from the Project. All profits to be distributed to Party B shall, to the extent of the foreign currency available to the Joint Venture, be paid to Party B in foreign currency. As to the balance of the amount payable to Party B, the Joint Venture shall arrange for exchanges to be made at Foreign Exchange Swap Centres.

Chapter 10: Transfer of Interest

10.1 Neither Party shall transfer all or part of its registered capital in the Joint Venture Corporation without (i) the prior written consent of the other Party, which consent may, in the other Party's sole discretion, be granted on such terms as the other Party determines, or withheld and (ii) any necessary approval from the Examination and Approval Authority.

When one Party transfers all or part of its registered capital in the Joint Venture Corporation, the other Party shall have the pre-emptive right to purchase.

Chapter 11: Requirements of Phase I Project

11.1 The Parties hereby undertake to use their best endeavours and commit to co-operate and work diligently and shall accomplish all the requirements identified below no later than 28 days after the Duplicate Business Licence is issued to the Joint Venture:

(1) Approval of the Project and all the Contract, Agreement and Articles of Association relating thereto by the relevant government authorities with examining and approving power;

(2) Certification by the relevant government authority with the requisite power to the grant of land use rights, approving the assignment of the land comprised in the Phase I Development Zone to the Joint Venture. Furthermore, the Parties and the said government authority shall have agreed on the contents of the Land Use Right Assignment Contract, including:

(i) the permitted use of the Phase I Development Zone shall include commercial, light industrial, high technology, office building, residential commodity building, recreational, educational, tourist industry and comprehensive mixed uses.

(ii) the total permitted floor area of the Phase I Development Zone shall be no less than _____ square meters.

(iii) all other terms shall be in conformance with those set out in Article 12.1(2) (b) through (i) inclusive.

(3) The People's Government of the City of Nanjing acknowledges that Party A may lawfully reserve all the land within the Comprehensive Development Zone for the Joint Venture for the period of reservation specified in this Agreement and further guarantees that it shall not, during the period of reservation, resume any

land within the Comprehensive Development Zone or approve the resumption of such land by any other parties except for the purpose of this Project.

(4) The People's Government of the City of Nanjing shall, in accordance with the planning of the development of the City, establish a major international, business, trade, culture and recreation centre in the location as shown in the Comprehensive Development Plan annexed in Schedule 1 herein or at such other location as may be agreed by the Joint Venture and the People's Government of the City of Nanjing. The People's Government of the City of Nanjing shall, as soon as practical after the Joint Venture has completed the comprehensive development of 4,000 mou of land or at such earlier date as the Joint Venture and the People's Government of the City of Nanjing may agree, construct the Centre.

(5) The People's Government of the City of Nanjing shall construct an underground railway transport system to link up the Comprehensive Development Zone and the centre of the City of Nanjing and other areas as soon as practical after the population of the Comprehensive Development Zone exceeds 100,000 or at such earlier date as the People's Government of the City of Nanjing determines.

(6) Party A shall apply to and arrange with the People's Government of the City of Nanjing that the City shall provide, operate, manage and maintain adequately, for each Phase of the Project, police stations, fire brigades, post offices and other public facilities and services. Party A shall be responsible to apply for and obtain from the People's Government of the City of Nanjing the provision of adequate school and clinic facilities necessary to support the growth of the Project. Nevertheless, the Joint Venture shall reimburse Party A for the cost associated with the relocation of the existing schools and clinics which are located within the Comprehensive Development Zone as of the signing of this Agreement, according to 14.1 through 14.4, inclusive.

(7) The People's Government of the City of Nanjing acknowledges that, in accordance with the relevant tax laws, the City shall grant to investors within the Comprehensive Development Zone favourable tax treatments and favourable tax reductions similar to those granted to investors in an Economic and Technological Development Zone. The Joint Venture shall apply for the favourable tax treatments and reductions and the Parties acknowledge the importance of these tax incentives to the success of the Project.

(8) The People's Government of the City of Nanjing acknowledges that, in accordance with the tax laws of the state, starting with the year when the Joint Venture begins to generate net taxable profits, the City shall grant to the Joint Venture Corporation, the tax treatment set forth in (i), (ii) and (iii) below:

(i) For the first and second years - Tax free.

(ii) For the third, fourth and fifth years - At the most favourable rate applicable at that time for similiar business which rate shall not exceed 15%.

(iii) From the sixth year on, paying tax at the rate stipulated by the "Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises" now in force provided that where

there are any new legal enactments which allow for more preferential tax treatments, reductions and exemptions, the Joint Venture shall be entitled to obtain the same.

(9) Assurance from the People's Government of the City of Nanjing that it will expedite with the issue of all permits, approvals, licences etc. required by the Joint Venture for the carrying out of this Project or any part thereof and to use its best efforts to assist the Joint Venture to smoothly complete this Project.

(10) The People's Government of the City of Nanjing acknowledges that the term in respect to the land use rights of the Phase I Development Zone shall respectively be as follows:

(i) 70 years for residential purposes;

(ii) 50 years for industrial purposes;

(iii) 50 years for the purposes of education, science, culture, public health and physical education;

(iv) 40 years for commercial, tourist and recreational purposes; and

(v) 50 years for comprehensive utilization or other purposes.

(11) The Parties agree that approval of the Agreement and related documents by the People's Government of the City of Nanjing constitutes the City's apporoval of all the provisions of the documents.

11.2 Party A hereby undertakes to use its best endeavours and commits to work diligently and shall accomplish all of the requirements identified below no later than 28 days after the Duplicate Business Licence is issued to the Joint Venture:

(1) The People's Government of the City of Nanjing has introduced to both Party A and Party B the urban planning and development schedule which has been formally announced. This schedule is set forth below and will be carried out each year, with necessary adjustments to the timing of completion of development, according to the City's master planning:

(a) Completion of the first ring road as shown in Schedule 3 by the end of 1994;

(b) Completion of the high speed expressway from Nanjing to Shanghai as shown in Schedule 3 by the end of 1996;

(c) Completion of the Nanjing Luokou Airport by the end of 1996;

(d) Completion of the new service road to the harbour area;

(e) Completion of the second ring road as shown in Schedule 3 by the end of 1999;

(2) Party A shall provide to Party B an itemized list of taxes, fees and rates that would apply to the Phase I Project within the time limit stipulated in Article 11.2.

(3) Party A agrees that it shall be responsible to apply to and obtain from the People's Government of the City of Nanjing the provision, in accordance with the relevant standards of the City of Nanjing, of all the off-site public facilities necessary to support and complement the facilities of the Joint Venture. The off-site public facilities include roads, energy supply systems, water supply systems, drainage systems and communications facilities.

11.3 Party A shall, throughout the term of this Joint Venture, be responsible to apply to and obtain from the relevant government authorities the following facilities:

(1) Adequate power supply to be made available on a timely and continuous basis to support the uninterrupted development of the Project;

(2) Adequate supply of water meeting the same standards supplied to users elsewhere in the City of Nanjing to be made available on a timely and continuous basis to support the uninterrupted development of the Project; and

(3) Adequate, reliable and continuous telephone and other telecommunication services to be made available on a timely and continuous basis to support the uninterrupted development of the Project.

11.4 The Parties acknowledte that all the requirements listed in 11.1 through 11.3 inclusive are for the benefit of Party B only. Party B shall have the right to waive any or all of these requirements.

Chapter 12: Requirements of Subsequent Phases

12.1 Subject to the provision of Article 12.2 herein, both Parties agree that they shall commence the development of all Subsequent Phases of the Project only after all the following requirements have been satisfied:-

(1) Both Parties undertake to use their best endeavours to apply to all the relevant government authorities for approval to carry out tract development of the Comprehensive Development Zone and to further apply to have part or the whole of the Comprehensive Development Zone to be zoned as an Economic and Technological Development Zone. Immediately after the execution of this Agreement, both Parties shall diligently proceed to prepare project proposals for tract development in accordance with the Comprehensive Development Plan and land use specified in Schedule 1 hereto for submission to the State Council, where required, via the municipal government of Nanjing and the provincial government of Jiangsu for approval.

(2) The approval referred to in 12.1(1) above shall include the approval by all the relevant government authorities to the grant of the Comprehensive Development Zone by stages in accordance with the following basic terms:

(a) The land use right assignment fee shall be

For Phases 2 and 3:-

(i) The land use right assignment fee for every 2,000 mou of Salable Area
= US$10,000,000.00 + Accumulated Adjustment Amounts (hereinafter defined)

(ii) "Accumulated Adjustment Amounts" for the purpose of 28(a)(1) above are computed as follows:

(A) The Period of Adjustment shall commence from the date of establishment of the Joint Venture to the date of execution of the land use right assignment contract in respect of the land of a particular Phase.

(B) The annual adjustment rate within the period of adjustment = PIPC index for the previous year or the most recent twelve month period or 8%, whichever is the lower.

(C) Adjustment for Each Year = Land Use Right Assignment Fee of the Preceding year calculated in accordance with the provision specified in Article 28(2)(a) x Annual Adjustment Rate for Current Year.

(D) If the Period of Adjustment covers only part of a particular year, the adjustment rate of that particular year shall be computed according to the ratio of the number of months covered divided by 12 provided that a period of less than one month is counted as one month in the calculation of the number of months.

(E) Accumulated Adjustment Amounts = Aggregate of all adjustments during the Period of Adjustment.

For Phase 4 and all Subsequent Phases:-

(i) 80% of the lowest land use right assignment fee charged by the People's Government of the City of Nanjing on any other rural, undeveloped, agricultural land of a similar type during the twelve months proceeding the execution of the land use right assignment contract in respect of the land of a particular Phase.

(b) The phasing of the grant of the land use rights of the Comprehensive Development Zone may be spread over a period of 15 years subject to extension in the event any of the delays listed out in 13.2 of this Agreement shall occur which extension shall be for the same period(s) as the period(s) of delay. For the major infrastructure projects identified in 13.2, there shall be a six month grace period.

(c) The time of grant, quantity and location of the land of each Phase shall be granted by the Land Bureau in accordance with the request of the Joint Venture, provided that the Joint Venture shall complete at least 40% of the construction of the Basic Infrastructure of a prior Phase

before it may enter into a grant of land use right contract with the Land Bureau in respect of the land of a Subsequent Phase.

(d) The schedule of payment of the land use right assignment fee in respect of each grant of land use rights shall be determined by the Parties in accordance with the applicable government regulations.

(e) There shall be no restriction whatsoever on the transfer by the Joint Venture of the land use rights of the Comprehensive Development Zone to local or foreign purchasers other than the requirements that 20% of the Basic Infrastructure in the Phase has been completed prior to the actual transfer of the Land Use Rights to a third party. Said requirement shall not restrict the Joint Venture from taking deposits on any tract within a Phase prior to the completion of 20% of the Basic Infrastructure. The Board of Directors may adopt standards from time to time which shall apply to the type and quality of construction within the Comprehensive Development Zone. These standards shall apply to third party purchasers.

(f) Upon payment of the land use rights assignment fee therefor, the Joint Venture shall be entitled to mortgage its land use rights or utilize it in any way for the purpose of raising finance.

(g) The Joint Venture shall be entitled to enter into agreements for the pre-sale of land use rights in any Phase prior to the completion of the Basic Infrastructure or part thereof in that Phase.

(h) The term of years of the land use right of any land of the Comprehensive Development Zone shall be the maximum term allowable under the Laws of the People's Republic of China in force at the time of assignment of the land use right for the same type of land. The commencement date of the term shall be the date of issue of the land use right certificate for the land.

(i) The Joint Venture may nominate any Subsidiary Company to acquire the land use right of any phase. The Joint Venture may also transfer any land use right or part thereof owned by the Joint Venture to its Subsidiary Company or Holding Company or a Subsidiary Company or Holding Company of a Party and such Subsidiary Company or Holding Company shall complete all outstanding obligations, if any, that remain to be completed under the provisions specified in the land use right grant contract.

12.2 The Parties acknowledge that all the requirements listed in 12.1 are for the benefit for the benefit of both Party A and Party B as well as the Joint Venture Corporation. If there should be a delay in the satisfaction of one or more of these requirements then the Parties may, through friendly consultation and negotiation, extend the time or, temporarily or permanently waive one or more of the unsatisfied requirements and commence the development of any or all of the subsequent phases of the Project.

Chapter 13: Reservation of Right

13.1 Party A agrees that it shall reserve the Comprehensive Development Zone exclusively for the development in Phases by the Joint Venture in accordance with the provisions of this Agreement and the Joint Venture Contract.

13.2 The period of all reservation shall commence from the signing of the Contract and shall continue until 15 years after the approval by all the relevant government authorities as to those items in Article 12.1 hereof have been obtained. The said 15 years period shall be extended correspondingly if the items specified below are not completed within the time periods specified in this Agreement and the Joint Venture Contract.

(1) the transportation networks and facilities specified in Article 11.2 and 11.3;

(2) the clearance and relocation of the original occupants of each Phase and the effective transfer of the land use right of that Phase to the Joint Venture within the time limit specified in the construction schedule approved by the Joint Venture; or

(3) the grant of any permit, approval or licence etc. required for the carrying out of this Project or any part thereof.

13.3 During the period of reservation, excluding the land use rights which have been acquired by the Joint Venture Corporation, any material changes to the land by Party A shall not increase the cost of development or relocation to Party B or to the Joint Venture Corporation. However, it is understood that Party A shall be entitled to carry out its existing farm operations in the normal course of business and to provide adequate and necessary residential housing to accommodate the growth of existing family units and the removal and replacement cost for these additional residential family units and the existing farm operations shall be reimbursed to Party A by the Joint Venture Corporation as set forth in Article 14.2. Party A will also be entitled to undertake new or expanded activities on the reserved portion of the Project or allow new occupants to move in at Party A's sole cost and expense so long as it does not increase the cost to Party B or the Joint Venture Corporation.

Chapter 14: Compensation and Relocation

14.1 Party A shall be responsible for completing the clearance of the land for each Phase of the Project and the relocation of the original occupants and users thereon in accordance with the time limits specified by the Board of Directors.

14.2 Party A shall only be entitled to reimbursement of expenses associated with the replacement of buildings owned by unaffiliated third parties. (That is, no reimbursement shall be due Party A for the replacement of buildings owned by Party A, its subsidiaries or affiliates. Party A shall be entitled to removal compensation for these buildings.) The Parties understand that certain buildings owned by Party A are considered public facilities and the Parties agree that Party A shall be entitled to replacement compensation for these facilities. The Parties agree that the buildings owned by Party A for which Party A shall be entitled to replacement compensation are as follows:

(i) 3 primary schools,
(ii) 1 middle school,
(iii) 1 kindergarten; and
(iv) 1 small health clinic.

Residences owned by staff of Party A shall be eligible for reimbursement. Individual workers shall also be entitled to compensation for lost jobs where the displaced worker is not re-employed by Party A, the Joint Venture or third party investors in the Project. Individuals who are dislocated from the site shall also be entitled to compensation for individual residences, which they may own within the Comprehensive Development Zone, at such time as the Joint Venture determines that an individual must be relocated to satisfy the requirements of the approved development plan. The compensation to individuals shall be determined by the Board of Directors of the Joint Venture and may be in the form of either replacement residences or direct payment of the replacement compensation fee required by the City of Nanjing's regulations, but not both. It is also agreed that Party A shall be entitled to new office facilities to replace those it currently occupies once relocation is required. These new office facilities shall be no larger than necessary in order for Party A to carry out its ongoing responsibilities. In the event that the Government makes major changes in the laws and regulations of relocation and removal, adjustments shall be made correspondingly to the relocation compensation required to be paid to Party A by the Joint Venture Corporation.

14.3 The upper limit of the amount of compensation for the Phase I Development Zone shall be US$6,000,000.00. The total compensation for clearance and relocation in respect of the entire Comprehensive Development Zone (including the cost for construction of any replacement houses and facilities mentioned in Articles 14.2 and 14.4) thereof shall not exceed US$60,000,000.00 on condition that no major changes be made in the existing laws of relocation and removal, and any amount in excess thereof shall be borne by Party A.

14.4 After the signing of this Agreement, both Parties shall diligently negotiate and agree to the specific arrangements for relocation and to agree on principles and formula to determine the calculation of compensation for relocation of the Phase I Project as well as all Subsequent Phases subject to the restriction that wherever replacement houses are required to be constructed, said replacement houses will be constructed in advance of the demolition of the existing residences. The details of such arrangements shall be specifically approved by the Board of Directors.

14.5 The Parties acknowledge that Party A owns and manages two factories within the Comprehensive Development Zone. The two operations are a dairy processing plant and a cement factory. The two Parties understand that it would be difficult for Party A to relocate or replace its dairy processing plant or cement factory before Party A realizes some profits from the Joint Venture. The Parties have agreed to undertake the planned development of the Comprehensive Development Zone in such a way as to avoid the need to remove these operations earlier than necessary.

Chapter 15: Duration of Joint Venture

15.1 The Parties agree that the term of the Joint Venture shall be 30 years commencing from the date of issue of the Duplicate Business License of the Joint Venture.

Chapter 16: Agreement to Prevails

16.1 If the content of this Agreement conflicts with any prior agreement, undertaking, understanding, assurance, expression of intent and others, either oral or in writing, this Agreement shall prevail.

Chapter 17: Applicable Law and Settlement of Disputes

17.1 The validity, interpretation and implementation of this Agreement shall be governed by the laws of the People's Republic of China. But in the event that there is no published and publicly available law in China governing a particular matter relating to this Agreement, reference shall be made to general international commercial practice.

17.2 In the event a dispute arises in connection with the implementation of this Agreement, the Parties shall attempt to resolve such dispute through friendly consultations. If the dispute cannot be resolved in this manner, then the Parties shall submit the dispute to a mutually agreeable neutral forum for arbitration in accordance with its arbitration rules. In the event that the Parties cannot agree on a neutral forum within thirty (30) days after the dispute arises, then on the request of either Party, the arbitration proceedings shall be held in Stockholm, Sweden. The arbitration award shall be final and binding on the Parties. The costs of the arbitration shall be borne by the losing Party.

Chapter 18: Guarantee

18.1 Party B shall provide a formal legal document from Atlantic Gulf Communities Corporation guaranteeing that Atlantic Gulf Communities Corporation shall take all legal and financial responsibilities for all acts and actions of Party B. The guarantee shall remain effective even in the event of the bankruptcy of Party B and shall be attached to, and be an inseparable part, of this Agreement. This provision is for the benefit of Party A only.

Chapter 19: Execution

19.1 This Agreement is written in both Chinese and English languages. Both languages are equally authentic. Any disputes regarding interpretation shall be resolved in the manner described in Article 17.2.

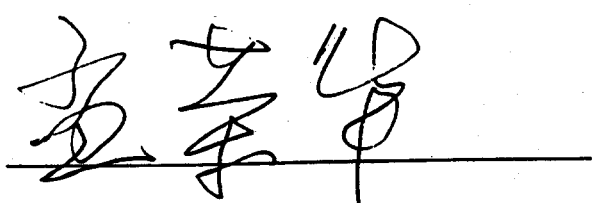
19.2 This Agreement shall compose of six sets with one Chinese copy and one English copy to form one set. Each set shall have equal legal force. Each Party shall retain one set. The remaining four sets shall be submitted to the examining and approving authorities for approval.

19.3 This Agreement together with the Contract and the Articles of Association shall be submitted to the examining and approving authorities for final approval.

19.4 This Agreement is signed by the authorised representatives of the Parties and dated the day of , 1993.

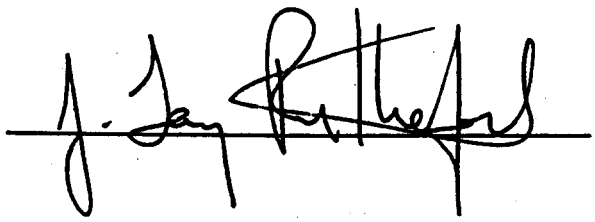
Party A : Nanjing Xianlin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise)

Authorised Representative :



Party B : Atlantic Gulf Asia Holding NV

Authorised Representative :



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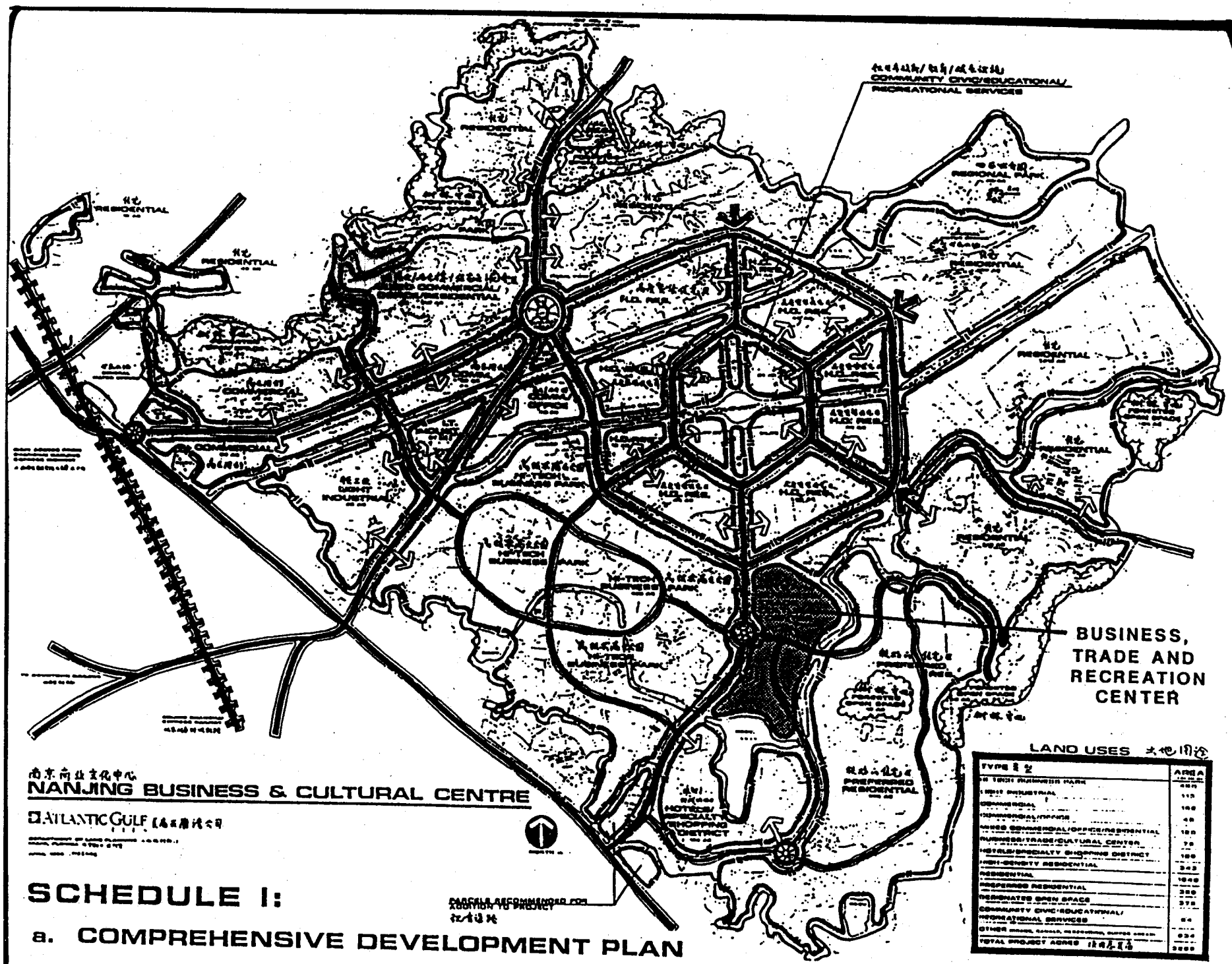


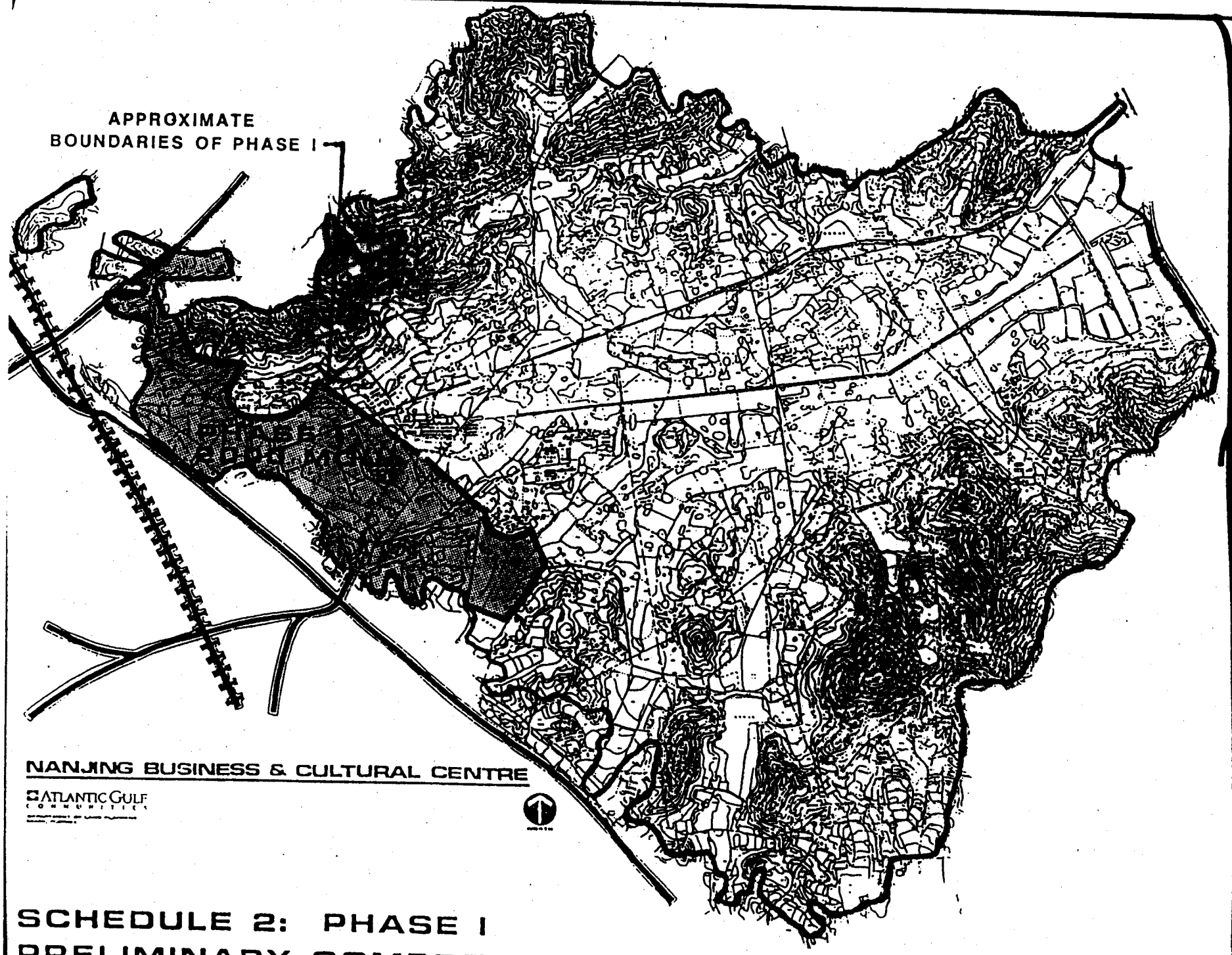
南京商业文化中心
NANJING BUSINESS & CULTURAL CENTRE

ATLANTIC GULF

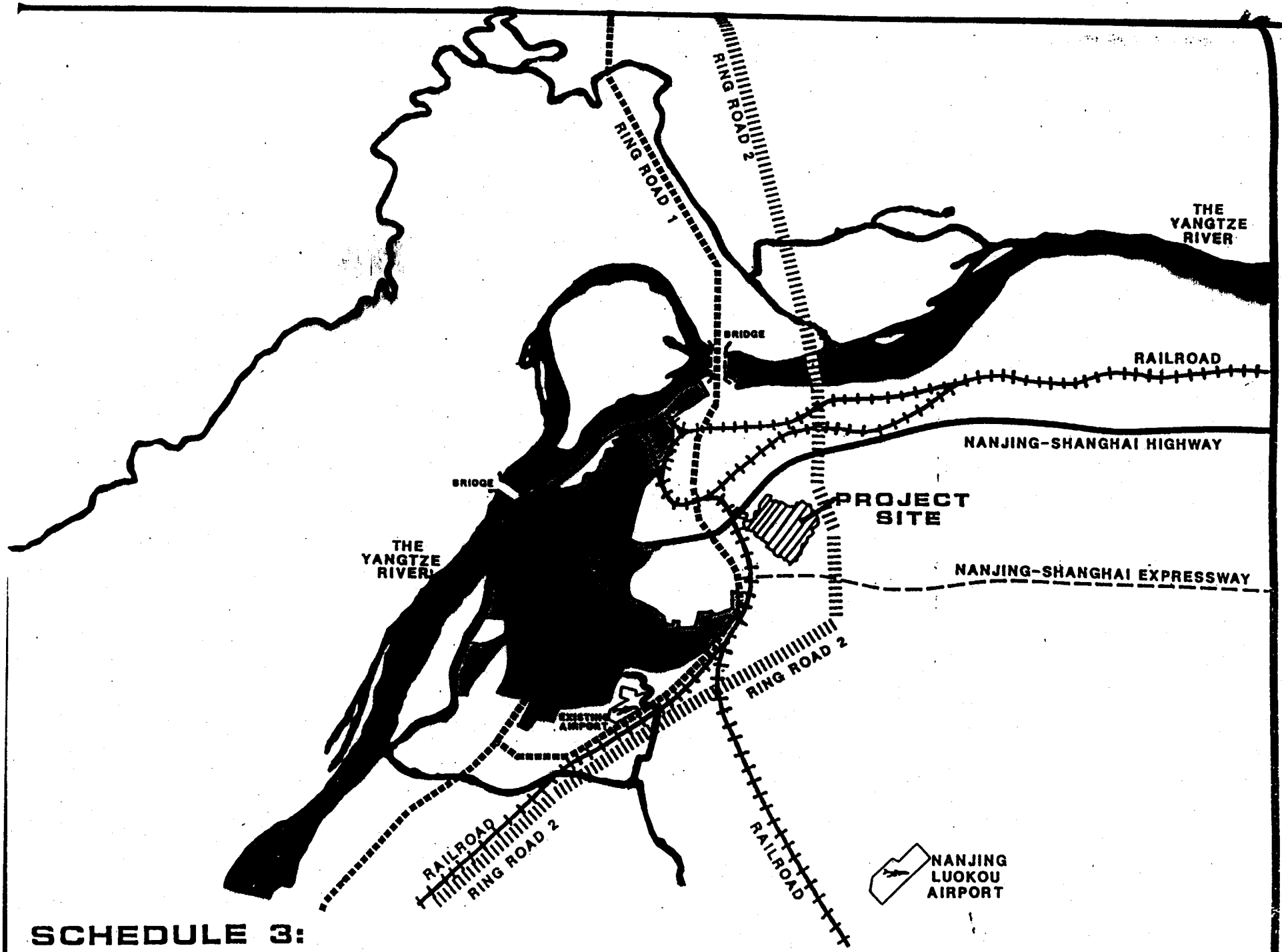
SCHEDULE I:

a. COMPREHENSIVE DEVELOPMENT PLAN

b. COMPREHENSIVE DEVELOPMENT ZONE



SCHEDULE 2: PHASE I
PRELIMINARY COMPREHENSIVE DEVELOPMENT ZONE



SCHEDULE 3:
LOCATION MAP OF COMPREHENSIVE DEVELOPMENT ZONE

GUARANTEE

WHEREAS, Nanjing Xian Lin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise), a state-owned enterprise duly incorporated under the laws of the People's Republic of China ("Party A"), and Atlantic Gulf Asia Holdings N.V., a Netherlands Antilles corporation ("Party B") which, at the date hereof, is a wholly owned subsidiary of Atlantic Gulf Communities Corporation, a Delaware corporation ("Atlantic"), are prepared to enter into: (i) the Joint Venture Contract of Nanjing Ya Dong International Corporation Limited; (ii) the Agreement regarding Nanjing Ya Dong International Corporation Limited; and (iii) the Articles of Association of Nanjing Ya Dong International Corporation Limited (collectively, the "YDJV Agreements"); and

WHEREAS, Atlantic's guarantee of Party B's performance obligations under the YDJV Agreements is granted at the request of Party A as a condition of entering into the YDJV Agreements.

THEREFORE, in consideration of the substantial direct and indirect benefits to be received by Atlantic, Atlantic hereby fully and unconditionally guarantees the obligations of Party B now existing or hereafter incurred under the YDJV Agreements.

This Guarantee inures to the benefit of and is enforceable by the Nanjing Ya dong International Corporation Limited (the "YDJV"), its successors and permitted assignees, and shall not be construed in any manner to give any other person or entity any express or implied legal or equitable rights hereunder.

ATLANTIC GULF COMMUNITIES CORPORATION

J. Larry Rutherford
President and Chief Executive Officer

Dated: September 1993

DATED THIS DAY OF 1993

NANJING HUAN DONG ENTERPRISE/
NANJING XIANLIN AGRICULTURAL AND GRAZING FARM

AND

ATLANTIC GULF ASIA HOLDINGS NV

ARTICLES OF ASSOCIATION

OF

NANJING YA DONG INTERNATIONAL CORPORATION LIMITED

GALLANT Y.T. HO & CO.
Solicitors and Notaries,

4th Floor, Jardine House,
1 Connaught Place,
Hong Kong

Ref: 67-429-3182-93(22)

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ARTICLES OF ASSOCIATION

OF

NANJING YA DONG INTERNATIONAL CORPORATION LIMITED

Chapter 1 General Provisions

Article 1 These Articles of Association (the "Articles of Association") of Nanjing Ya Dong International Corporation Limited (the "Joint Venture Corporation") are made and entered into by and between Nanjing Xian Lin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise) ("Party A") and the Atlantic Gulf Asia Holdings N.V. ("Party B") in accordance with the "Law of the People's Republic of China on Sino-Foreign Equity Joint Venture" and other relevant laws, decrees and regulations.

Article 2 The name of the Joint Venture Corporation is Nanjing Ya Dong International Corporation Limited in English and " " in Chinese.

The legal address of the Joint Venture Corporation is at Xian He Men, Nanjing, Jiangsu Province, China.

Article 3 The respective names and legal addresses of Party A and Party B are as follows:

Party A:	Name:	Nanjing Xian Lin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise)
	Legal address:	Xian He Men, Nanjing City, Jiangsu Province, China
Party B:	Name:	Atlantic Gulf Asia Holdings NV
	Legal address:	c/o Antillean Management Corporation, "AMAO" Schottegatweg-oost 130, P.O. Box 3141, Curacao, Netherlands Antilles

Article 4 The form of organization of the Joint Venture Corporation is a limited liability Corporation. Each party of the Joint Venture Corporation is liable to the Joint Venture Corporation up to the limit of the capital subscribed by it. Creditors of the Joint Venture Corporation shall have recourse only to the assets of the Joint Venture Corporation and shall not seek repayment from any of the Parties unless the Party to be charged has assumed liability under separate agreement. Subject to the aforesaid limitation of liability, the profits, risks and losses of the Joint Venture Corporation shall be shared by the Parties on a 50:50 basis.

Article 5 The Joint Venture Corporation is a legal person under the laws of China, protected and governed by the relevant Chinese laws, decrees, rules and regulations and enjoy all privileges and benefits given to enterprises with foreign investment.

Chapter 2 Purpose and Business Scope

Article 6 The purpose of the formation of the Joint Venture Corporation is to enhance mutual co-operation, to speed up the opening of the City of Nanjing to the

create a first-class environment and infrastructure for Nanjing's further development thereby generating economic benefits to both Parties.

Article 7 The scope of business of the Joint Venture Corporation shall be:

(a) To engage in the development and construction of tracts of land in conformance with the State policies after obtaining the land use rights;

(b) To transfer or lease land with development rights to foreign individuals, organizations, entities, overseas Chinese and compatriots from Hong Kong, Macau and Taiwan and overseas Chinese settled down in China, as well as local individuals, organizations, units and entities.

(c) To engage in real estate development and to construct all types of buildings and ancillary facilities and utility services for sale or lease in China or outside China.

(d) To provide all kinds of services relating to real estate development and construction (including planing and structuring of real estate development projects, advising and supervising the design work, supervising the construction work and project management, handling all approval procedures, acting as agent for sale or leasing and providing property management services, etc.).

(e) To operate within the Comprehensive Development Zone hotels, restaurants, entertainment centres, shops, convention centres, clubs, golf courses, parks, utilities services, etc. and to provide other service facilities according to planning requirements.

Article 8 The scale of business of the Joint Venture Corporation shall be as follows:

The Phase I Project shall be the development of a piece of land of 2,000 mou within the Xianlin Agricultural and Grazing Farm at Xian He Men, Xi Xia District, Nanjing (approximate location of this piece of land is shown on the map annexed to the Contract as Schedule 2.) This shall be the Phase I Project of the Joint Venture Corporation.

The remaining land of Xianlin Agricultural and Grazing Farm shall be developed by Phases at such time and in such manner as provided for in the Contract. The total area of the Xianlin Agricultural and Grazing Farm is approximately 18 square kilometres, which shall be the Comprehensive Development Zone of the Project. (Its approximate location is shown on the map annexed to the Contract as Schedule 1.)

Chapter 3 Total Amount of Investment and the Registered Capital

Article 9 The total amount of investment of the Joint Venture Corporation shall be in the region of US$30,000,000.00.

The registered capital of the Joint Venture Corporation shall be US$20,000,000.00.

Article 10 The Parties shall contribute to the registered capital as follows:

(a) Party A's contribution shall be the land of the Phase I Development Zone (with premium paid) as its investment, which is equivalent to US$10,000,000.00 accounting for 50% of the registered capital of the Joint Venture Corporation.

(b) Party B's shall contribute US$10,000,000.00 accounting for 50% of the registered capital of the Joint Venture Corporation.

Article 11 Each Party shall inject their contribution to the Joint Venture Corporation in accordance with the time limit stipulated in the Contract.

Article 12 Any Party whose contribution to the registered capital is wholly or partly in the form of actual assets shall produce proof of its rights of ownership or entitlement and right of disposal thereof. After injection of contribution is made, a Chinese registered accountant nominated by the Board of Directors shall verify the payment and provide a verification report to the Joint Venture Corporation. After receipt of this report, the Joint Venture Corporation shall issue to each Party an investment certificate which includes the following items: name of the Joint Venture Corporation; date of the establishment of the Joint Venture Corporation; name of each Party and the investment contributed; date of the contribution; and the date of issuance of the investment certificate.

Article 13 During the period of the Joint Venture, the Joint Venture Corporation must not reduce the registered capital.

Article 14 Any increase in the registered capital of the Joint Venture Corporation which is deemed necessary by the management of the Joint Venture Corporation must be approved by an unanimous vote of the Board of Directors at a duly constituted meeting and submitted to the Examination and Approval Authority for examination and approval.

Article 15 No Party shall transfer all or any of its registered capital or interest or rights in the Joint Venture Corporation and/or the Contract without (i) the prior written consent of the other Party, which consent may, in the other Party's sole discretion, be granted on such terms as the other Party determines, or withheld and (ii) any necessary approval from the examination authority.

When one Party of the Joint Venture transfers its rights and interests, the other Party has pre-emptive right.

Chapter 4 The Board of Directors

Article 16 The Joint Venture Corporation shall establish the Board of Directors, which is the highest organ of power in the Joint Venture Corporation.

Article 17 The Board of Directors shall decide all the important matters concerning the Joint Venture Corporation. Its major powers are as follows:

1. Deciding and approving the important reports presented by the General Manager, such as plans for real estate development, annual business reports, proposal for raising funds and/or arranging loans;

2. Approving annual financial statements, annual revenue and expenditure budget and annual profit distribution;

3. Approving important rules and regulations of the Joint Venture Corporation;

4. Deciding the establishment of subsidiary companies;

5. Amending the rules and regulation of the Joint Venture Corporation;

6. Discussing and deciding the winding-up of the Joint Venture Corporation or the merger of the Joint Venture Corporation with other economic organizations;

7. Appointing the General Manager and the Deputy General Manager;

8. Taking charge of liquidation upon the expiration of the term or termination before the expiration of the term of the Joint Venture; and

9. Deciding all other important matters that should be decided by the Board of Directors.

Article 18 The Board of Directors is composed of 10 Directors, of which 5 shall be appointed by Party A, 5 by Party B. Each director shall be appointed for a term of four (4) years and may serve consecutive terms if reappointed by the Party originally appointing him.

Article 19 The Chairman of the Board shall be appointed by Party A. The Vice-Chairman shall be appointed by Party B. The term of office of the Chairman and Vice-Chairman shall be four (4) years and each may serve consecutive terms if reappointed by the Party originally appointing him.

Article 20 Each Party is entitled to change a director it has appointed within the term of office provided that such change shall be effective only if the appointing Party shall notify the other Party and the Joint Venture Corporation in writing of the name and correspondence address of the new appointee at least seven (7) days in advance.

Article 21 The meeting of the Board of Directors shall be convened at least twice a year. Upon the written request of three (3) or more of the directors, the Chairman shall convene an interim meeting of the Board to discuss matters proposed to be discussed in the written request. If the Chairman fails to duly proceed to convene an interim meeting within fourteen (14) days after receipt of the requisition, the requisitionists may themselves convene a meeting. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Chairman.

Article 22 The meeting of the Board of Directors shall be convened by the Chairman of the Board. In the absence of the Chairman, the Vice-Chairman shall convene the meeting.

Article 23 All meetings of the Board shall be convened by at least thirty (30) days notice in writing. Upon unanimous consent made by all the directors, the 30 days

notice can be shortened. The notice shall specify the time, place and contents of the meeting and shall be written in both Chinese and English language.

Article 24 All meeting of the Board shall in principle be held at the place where the Joint Venture Corporation is. But upon unanimous consent being made, the Board meeting can be held at other places.

Article 25 The quorum required for a Board meeting is eight (8) with equal number of directors appointed by each Party present failing which all resolutions passed shall be ineffective.

Article 26 The Chairman of the Board of Directors shall preside as chairman at every board meeting of the Joint Venture Corporation and if he shall not be present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act or has given notice to the Board of his intended absence, the Vice-Chairman shall preside as chairman of that meeting and failing him, the directors may elect one of their number to be the chairman of that meeting.

Article 27 In case a director is unable to attend a Board meeting, he may issue a proxy to entrust another director or a non-director to represent him in the meeting. The representative so entrusted shall have the same rights and powers as the director he represents. If a director fails to attend and fails to entrust a representative to attend on his behalf, he shall be deemed to have waived his right.

Article 28 Except for matters listed out in Article 29 hereof, all resolutions of the Board of Directors to be effective have to be approved by the majority of the directors attending either personally or by entrusted representatives.

Article 29 Resolutions involving the following matters may only be adopted at a Board meeting upon the unanimous affirmative vote of all the directors of the Board attending the meeting personally or by entrusted representatives:

(a) the amendment of these Articles of Association;

(b) the dissolution or termination of the Joint Venture Corporation;

(c) the increase or transfer of the registered capital of the Joint Venture Corporation; and

(d) the merger of the Joint Venture Corporation with another economic organization.

Article 30 Each director (including the Chairman) when passing any resolution (including written resolutions mentioned in Article 31 hereof) shall be entitled to one vote. In case of a tie, the Chairman shall have no casting vote and the resolution shall be treated as not having been carried.

The General Manager may attend meetings of the Board of Directors but shall not be entitled to vote unless the General Manager is a director in his own right or has been entrusted as a proxy to represent an absent director.

Article 31 Decisions of the Board may be made through written resolutions and such written resolutions shall be as valid and effectual as if they had been passed at a meeting of the directors duly convened and held. All directors may send written resolutions through facsimile message, telex or other form of electronic transmissions and once such executed resolutions are despatched to the Joint Venture Corporation through telex or facsimile or other form of electronic transmissions, it shall be taken that the director has executed the resolution. All resolutions in writing shall be effectual only if signed by all the directors but no notice as specified in Article 23 hereof need to be given.

Article 32 For each meeting, minutes shall be taken in detail and shall be signed by the chairman presiding at that meeting. The minutes shall be written in both the English and the Chinese language and filed in the records of the Joint Venture Corporation with copy thereof to be distributed to all the directors within thirty (30) days after the meeting.

Any director who wishes to propose any amendment or addition to the minutes of Board of Directors' meeting shall submit the same in writing to the Chairman within fourteen (14) days after receipt of such director's copy of the original signed minutes. Provided that with all directors consent, the amendment or addition shall be incorporated into the official minutes. If there is disagreement among the directors concerning the proposed amendment or addition, the issue shall be decided by a resolution or the Board.

Article 33 The Joint Venture Corporation shall pay the reasonable expenses for travel, meals and accommodation incurred by the directors and their respective proxies for the purpose of attending Board meetings as well as the expenditure of the Board meeting.

Chapter 5 Management

Article 34 The Joint Venture Corporation shall adopt a management system under which the management organization shall be responsible to and under the leadership of the Board.

The management organization of the Joint Venture Corporation shall have a General Manager and a Deputy General Manager. The General Manager, assisted by the Deputy General Manager, shall prepare a proposed organization structure and submit the same to the Board for approval at its initial meetings.

Article 35 The General Manager shall be nominated by Party B and the Deputy General Manager shall be nominated by Party A, with both being appointed by the Board of Directors. All other executives and employees of the Joint Venture Corporation, except specifically provided otherwise in these Articles of Association, shall be appointed by the General Manager.

Article 36 The General Manager shall be responsible to the Board of Directors and carry out the decisions of the Board and organize the daily business management of the Joint Venture Corporation. The Deputy General Manager shall assist the General Manager and shall report to the General Manager. Should the General Manager be unable to exercise his responsibilities for some reasons, the Deputy General Manager shall be the acting General Manager. Both the General

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Manager and the Deputy General Manager shall be individuals of professional qualifications and experience.

Article 37 Decisions on important matters in the daily routines of the Joint Venture Corporation shall be carried out only after approval by the General Manager is obtained. Matters that need joint signatures of the General Manager and the Deputy General Manager shall be specifically stipulated by the Board of Directors.

Article 38 The term of office of each of the General Manager and Deputy General Manager is four years and they may be reappointed by the Board of Directors.

Article 39 Directors of the Board may work concurrently as General Manager and Deputy General Manager or other high-ranking staff upon the appointment of the Board of Directors.

Article 40 The General Manager and Deputy General Manager must not work concurrently as General Manager or Deputy General Manager in other economic organizations and must not take part in any commercial activities in competition with that of the Joint Venture Corporation.

Article 41 Any employee of the Joint Venture Corporation, if found to be incapable of performing his duties, guilty of corruption or embezzlement or serious neglect of his duty shall be dismissed by the Board at any time without notice. And if found to have violated any criminal laws, he/she shall be handed over to the lawcourts.

Chapter 6 Financial Affairs and Accounting

Article 42 The financial affairs and accounting system of the Joint Venture Corporation shall comply with the "PRC Foreign Investment Enterprises Accounting System" and "PRC, Administration of the Finances of Foreign Investment Enterprises Provision" and other relevant provisions issued by the Ministry of Finance of the People's Republic of China. The system shall also, in so far as legally permissible, be formulated and conducted in conformance with international standards.

Article 43 The Joint Venture Corporation will adopt the calendar year as its fiscal year which begins from 1st January and ends on 31st December of the same year except for the year when the Joint Venture Corporation is initially established which first fiscal year shall be from the date when the Joint Venture Corporation obtained its Business Licence to the immediately succeeding 31st December.

Article 44 All the vouchers, account books, accounting statements, reports and other accounting supporting documents of the Joint Venture Corporation should be written in both Chinese and English languages.

Article 45 For accounting purpose, the Joint Venture Corporation will adopt Renminbi Yuan as its standard currency. When the currency of bank deposits, cash receipts or expenditures, receipts from claims or expenses for debts are different from the standard book currency, accounts shall also be kept in the currency actually paid or received. Actual exchange gain or losses will be recorded as a gain or a loss as the case may be.

Article 46 The Joint Venture Corporation shall open Renminbi and/or foreign currency accounts with the Bank of China or other banks permitted by the Chinese laws.

Article 47 The Joint Venture Corporation will adopt the internationally accepted accrual basis and the debit-credit double-entry accounting system.

Article 48 The accounting book of the Joint Venture Corporation must record the following contents:

1. All the cash incomes and expenses of the Joint Venture Corporation;
2. The purchasing of materials and debts of the Joint Venture Corporation;
3. The registered capital and debts of the Joint Venture Corporation;
4. The time of injection of registered capital and the increasing or transferring of the registered capital of the Joint Venture Corporation.

Article 49 The financial department of the Joint Venture Corporation should prepare, within two months after the end of each fiscal year, the final accounting statements of that year. The said final accounting statements should include a balance sheet, a statement of loss and profit and profit distribution plan. The final accounting statements shall be examined and verified by the Chief Internal Auditor of the Joint Venture Corporation who shall be a registered accountant in China. Whenever one Party requires, the Joint Venture Corporation shall further engage an independent internationally reputable accounting firm to co-operate with the Chief Internal Auditor to examine and verify final accounting statements. Upon completion of the audit, the annual final accounting statements shall be submitted to the Board of Directors for approval.

Article 50 Either one of the Parties to the Joint Venture has the right to employ accountants at its own expense to audit the accounting books of the Joint Venture Corporation whenever it deems fit. The Joint Venture Corporation shall provide assistance and to allow such accountants to have access to all the accounting books and records of the Joint Venture Corporation.

Article 51 The Board of the Joint Venture Corporation shall decide the term of depreciation of the fixed assets in accordance with the relevant Chinese regulations and provisions above cited.

Article 52 Affairs concerning foreign exchange in the Joint Venture Corporation shall be dealt with in accordance with "The Tentative Regulations of Foreign Exchange Control of the People's Republic of China" and with other relevant regulations.

Article 53 The Joint Venture Corporation shall pay various types of tax under the relevant laws of China and shall be entitled to such preferential tax treatments, reductions and exemptions the government authorities in China professed that the Joint Venture Corporation would enjoy and/or conferred on the Joint Venture Corporation by any relevant laws and regulations now in force. Provided that whenever there is any new legal enactment which allows for more preferential tax treatments, reduction and exemptions, the Joint Venture Corporation shall apply to obtain for the same.

Chapter 7 Profit Distribution

Article 54 After payment of income tax, the Board of Directors will determine the amount to be allocated as the reserve fund and the expansion fund for the development of the Joint Venture and the welfare fund for the workers and staff members (the "Three Funds"). The total amount to be allocated for the reserve fund and the welfare fund for the workers and staff members shall not be more than ten percent (10%) of the after tax profits of the year so as to ensure the smooth operation of the Joint Venture. The exact proportion of allocation of the Three Funds shall be decided by the Board of Directors from time to time.

Article 55 After payment of income tax and allocation of the Three Funds have been made, the Board of Directors shall distribute the profits it has decided to distribute in that year, if any, between Party A and Party B in accordance with their proportion in the registered capital.

Article 56 Profit distribution shall be carried out at such frequency as the Board of Directors shall determine provided such distribution is carried out at least once a year. The Board of Directors shall determine the plan of distribution and the amount of profit each Party should be entitled to from time to time but in any event shall be no later than three months after each fiscal year.

Article 57 Profit distribution cannot be carried out before the loss of the previous fiscal years has been made up by the profit of the current fiscal year.

Article 58 All after tax profits distributed to Party B and the wages and other legitimate income of the foreign employees of the Joint Venture Corporation may be converted freely to foreign currency and remitted out of China at any time without restrictions of any sort being imposed.

Chapter 8 Workers And Staff Members

Article 59 Matters relating to recruitment, employment, dismissal, resignation, salaries, welfare, labour insurance, labour protection and labour disciplines of the workers and staff members of the Joint Venture Corporation shall be carried out in accordance with "The Regulations of the People's Republic of China on Labour Management in Sino-Foreign Equity Joint Ventures".

Article 60 The Joint Venture Corporation shall be at liberty to recruit workers and staff members from the society by itself. But all candidates must undertake examinations and will be selected on a merit basis. A candidate once elected shall each sign a labour contract with the Joint Venture Corporation. Such labour contract shall contain all terms governing the employment, duties and benefits of that individual and shall be reported to the local labour department for record.

Article 61 The General Manager shall have full authority in all matters concerning the labour management of the Joint Venture Corporation including the authority to give disciplinary warnings to, to reduce the salary of and to dismiss all those who violate the rules and regulations of the Joint Venture Corporation or is considered by the General Manager as incompetent or redundant. The Joint Venture Corporation shall report the dismissal of any of its employee to the local labour department.

Article 62 The General Manager may employ, on behalf of the Joint Venture Corporation, such number of full time staff including expatriates and temporary expatriates or consultants as he considers necessary. The selection and specific terms of employment of such staff, if any, shall be made and decided by the General Manager acting pursuant to the rules and regulations laid down by the Board of Directors.

Article 63 The important aspects of the renumeration package of the workers and staff members including the determination of the wage level shall be approved by the Board of Directors and stipulated in the labour contracts with the workers and staff members, having regard to China's relevant regulations and the condition of the Joint Venture Corporation.

The Joint Venture Corporation will properly increase the salaries of the workers and staff members according to their improvement of skills and the development of the Joint Venture Corporation.

Article 64 The Joint Venture Corporation shall conform to all rules and regulations of the Chinese government concerning workers' and staff members' welfare and bonus arrangements, labour protection, and labour insurance so as to ensure that they work under proper conditions.

Chapter 9 Term, Termination And Liquidation Procedures

Article 65 The term for this Joint Venture is thirty (30) years starting from the day when the Business Licence is issued.

Article 66 If both Parties agree to extend the term, an application for such extension shall be made to the original Examination and Approval Authority no less than six (6) months prior to the expiry of the term of the Joint Venture Corporation.

Article 67 The Joint Venture Corporation shall be dissolved and its affairs wound up upon the occurrence of any of the following events: the expiration of the term of the Joint Venture as provided in Article 65; the prior written consent of the Parties; an event making it unlawful for the business of the Joint Venture to be carried on; the bankruptcy of either Party or the Joint Venture; the withdrawal or resignation of either Party, in which event the withdrawing Party would be liable for damages for breach of the Contract; the decree of a court of competent jurisdiction declaring that the Joint Venture be dissolved; the sale or disposition of all or substantially all of the assets of the Joint Venture Corporation; the failure of the Joint Venture Corporation, to obtain within a reasonable time frame mutually agreed by the Parties, third party financing commitments satisfactory to Party B and sufficient to complete Phase I Project, which failure shall not constitute a breach of the Contract by either Party; or the occurrence of any other events of dissolution or termination provided for in the Contract.

Dissolution resulting from the above occurrences shall be in accordance with the provisions of the Contract and subject to approval by the original examination authority.

Article 68 In the event that the Joint Venture expires or is terminated prior to expiration, the Board of Directors shall determine the procedure and principles for

liquidation and the candidates for the liquidation committee. The liquidation committee so set up shall conduct a thorough examination of the property, claims and debts of the Joint Venture Corporation, proceed with the liquidation and submit the results of liquidation to the Board for approval.

Article 69 During the liquidation process, the liquidation committee may, on behalf of the Joint Venture Corporation, bring any law-suit or accept any law-suit to protect the assets and profits of the Joint Venture Corporation.

Article 70 Expenses of the liquidation committee and remuneration of the members of the committee shall be paid preferentially from the existing assets of the Joint Venture Corporation and the proceeds obtained from the realization of such assets.

Article 71 All the assets of the Joint Venture Corporation shall first be applied to repay debts. If there is any surplus after settling all the debts and taxes (including any loan made by the Parties and interest thereon other than its share of registered capital), the surplus shall be distributed between the Parties in accordance with their respective proportions in the registered capital.

Article 72 After liquidation, the Joint Venture Corporation shall present a report to the original Examination and Approval Authority.

Chapter 10 Rules and Regulations

Article 73 The Board of Directors of the Joint Venture Corporation shall set up rules and regulations for efficient management purposes. Such rules and regulations may include:

1. Business management regulations, including the duties, rights and the operation procedures of all the sub-ordinate management departments;
2. Rules for workers and staff members;
3. Salary and remuneration policies for workers and staff members;
4. Rules for attendance checking, promotion, reward and penalty;
5. Regulations for the welfare of workers and staff members;
6. Regulations governing financial control and internal audit;
7. Procedures of liquidation in the case of dissolution of the Joint Venture Corporation; and
8. Other necessary rules and regulations.

Chapter 11 Supplementary Provisions

Article 74 Any amendment of these Articles of Association can only be made upon the unanimous vote of the Board of Directors and after the approval of the original Examination and Approval Authority.

Article 75 These Articles of Association and the amendments thereof shall come into force only after the approval of the Examination and Approval Authority has been obtained.

Article 76 Terms used in these Articles of Association but not defined herein shall, in so far as the context permits, have the meanings set forth in the Contract. The term "Contract" in these Articles of Association shall mean the Contract executed by the Parties on the day of 1993.

Article 77 The Articles of Association shall be written both in Chinese and English. Both languages shall be equally authentic. Any disputes regarding interpretation shall be resolved in accordance with the settlement of disputes section in Chapter 28 of the Contract.

Article 78 These Articles of Association are signed by the respective legal designated representatives of Party A and Party B and dated the day of 1993.

For Party A (signature)

For Party B (signature)

0029.YCH

NANJING XIANLIN AGRICULTURAL AND GRAZING FARM/
NANJING HUAN DONG ENTERPRISE

AND

ATLANTIC GULF ASIA HOLDINGS NV

JOINT VENTURE CONTRACT

OF

NANJING YA DONG INTERNATIONAL CORPORATION LIMITED

GALLANT Y.T. HO & CO.
Solicitors and Notaries,

4th Floor, Jardine House,
1 Connaught Place,
Hong Kong

Ref: 67-429-3182-93(22)

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JOINT VENTURE CONTRACT

OF

NANJING YA DONG INTERNATIONAL CORPORATION LIMITED

Chapter 1: General Principles

After friendly consultations conducted in accordance with the principles of equality and mutual benefit, Nanjing Xianlin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise) (hereinafter referred to as "Party A") and the Atlantic Gulf Asia Holdings NV (hereinafter referred to as "Party B") have agreed to establish a Sino-Foreign equity joint venture in Nanjing, Jiangsu Province, the People's Republic of China in accordance with the "Law of the People's Republic of China On Sino-Foreign Equity Joint Ventures" and other relevant laws and regulations. The Parties further agree to enter into this Contract to set out their respective interests, obligations, liabilities and ownership with the Joint Venture Corporation and to record their agreement relating to the Joint Venture Corporation as follows:

Chapter 2: Definitions

Article 1 In this Contract and the Schedules hereto, unless the context otherwise requires, the following expressions shall have the following meanings:

"Agreement"	means the Agreement signed between the Parties on the _____ day of _____ 1993 before the execution of this Contract.
"Articles of Association"	means the Articles of Association of the Company in the form agreed upon by the Parties and to be adopted by the Joint Venture Corporation and as amended from time to time.
"Basic Infrastructure"	means all the basic facilities like drainage facilities, water and electricity supply, road and communication facilities to be laid and constructed by the Joint Venture on the land of each Phase of development to enable connection thereof to the individual tracts of land of that particular Phase.

"Board of Directors" or "Board"	means the Board of Directors of the Joint Venture Corporation from time to time.
"Business Day"	means a day on which banks are open for business both in Nanjing, People's Republic of China and in Miami, United States of America.
"Business Licence", "Duplicate Business Licence" and "Original Business Licence"	Business Licence" means the Business Licence of the Joint Venture issued by the Industrial and Commercial Administration Bureau and unless expressly provided otherwise, any reference to the term "Business Licence" in this Contract shall include both the "Duplicate Business Licence" and the "Original Business Licence". "Duplicate Business Licence" shall mean the Business Licence issued by the Industry and Commercial Administration Bureau upon approval of this Contract, the Articles of Association and the Agreement and the Joint Venture shall be legally constituted at the date of the issuance of the Duplicate Business Licence. "Original Business Licence" shall mean the Business Licence issued automatically as of right upon Party B injecting 15% of its share of the registered capital to the Joint Venture Corporation within the time limit allowed for in this Contract. Pending the issuance of the Original Business Licence, the Duplicate Business Licence shall have the same force and effect as an Original Business Licence.
"Comprehensive Development Plan"	means the master plan for the development of the Comprehensive Development Zone, a preliminary version of which is shown in Schedule 1 hereto which master plan is subject to modification from time to time by the Board of Directors.

"Comprehensive Development Zone"	means the land of about 18 square kilometers possessed by Xianlin Agricultural and Grazing Farm at Xian He Men, Xi Xia District, Nanjing. Its approximate location and boundaries are shown in the location map in Schedule 1 hereto. Said location map shall be replaced by a survey map showing the exact location of the Comprehensive Development Zone within 85 days of the issuance of the Duplicate Business Licence.
"Examination and Approval Authority"	means the PRC Ministry of Foreign Economic Relations and Trade or the authority entrusted by such Ministry to approve this Contract, the Agreement, the Articles of Association and other ancillary documents.
"Holding Company"	a company shall, for the purpose of this Contract, be considered as a Holding Company of another Company if the former holds not less than 51 percent of the issued share capital of the latter.
"PIPC Index"	means the price index of China published by the Chinese Government.
"Joint Venture Corporation" or Joint Venture"	means the equity joint venture corporation to be formed by the Parties hereto in accordance with the "Law of the People's Republic of China On Sino-Foreign Equity Joint Ventures" and the terms of this Contract.
"mou"	means 666.67 square meters
"Parties"	means Party A and Party B to this Contract
"Phase"	means any one phase of development of the Project

"Phase I Development Zone"	means about 2,000 mou of the Comprehensive Development Zone which will be developed as the first phase of the Project. Its approximate location and boundaries are shown in the location map in Schedule 2. Said location map shall be replaced by a survey map or a red-line map showing the exact location of the Phase I Development Zone within 45 days of the execution of this Contract.
"Phase I Project"	means the first phase of the Project
"PRC" or "China"	means the People's Republic of China
"Project"	all business to be conducted as specified in Article 9 of this Contract shall be collectively referred to as the "Project" in this Contract.
""RMB" or "Renminbi"	means the lawful currency of PRC
"Saleable Land Area"	means the area of the land available to the Joint Venture Corporation for development and sale to investors (excluding the area of any land which cannot be developed or any land which is to be used for common or public use or any government buildings, public utilities, roads greater than 24 meters wide, or any other land areas not available for sale to third parties). The location and extent of the Saleable Land Area are subject to confirmation and approval of the Parties.
"Subsequent Phases"	means all other Phases following the first Phase of the Project.
"Subsidiary Company"	a company shall, for the purpose of this Contract, be considered as a Subsidiary Company of another company if not less than 51 percent of the issued share capital of the former is held by the latter.
"This Contract"	means this Joint Venture Contract entered into by the Parties in respect to the Joint Venture as amended from time to time.

"US$" or U.S. Dollars" means the lawful currency of the United States of America.

"Year" means the period from 1st January to 31st December of each year.

Article 2 (a) All references to Articles are to Articles of this Contract and all references to sub-articles and paragraphs are references to sub-articles and paragraphs in the Articles in which the respective references appear.

(b) Article headings are for ease of reference only and do not affect the construction of this Contract.

Chapter 3: Parties to the Contract

Article 3 Parties to this contract are:

Party A: Nanjing Xianlin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise), a state-owned enterprise duly incorporated under the laws of the People's Republic of China with its legal address at Xian He Men, Nanjing, Jiangsu Province, China.

Legal representative:

Name: Meng Rong Hua
Position: General Manager
Nationality: China

Party B: Atlantic Gulf Asia Holdings NV, a Netherlands Antilles Corporation with its registered address at c/o Antillean Management Corporation, "AMAO" NV, Schottegatweg-oost 130, P.O. Box 3141, Curacao, Netherlands Antilles.

Legal representative:

Name: J. Larry Rutherford
Position: Managing Director
Nationality: U.S.A.

Chapter 4: Establishment of a Joint Venture Corporation

Article 4 Both Parties agree to establish a sino-foreign equity Joint Venture in the City of Nanjing in accordance with the "Law of the People's Republic of China on Sino-Foreign Equity Joint Ventures" and other relevant Chinese laws and regulations.

Article 5 The name of the Joint Venture Corporation shall be "南京亞東國際實業有限公司" in Chinese and "Nanjing Ya Dong International Corporation Limited" in English.

The legal address of the Joint Venture Corporation is at Xian He Men, Nanjing, Jiangsu Province, China.

Article 6 The Joint Venture Corporation shall be a legal person under the laws of China, and all activities of the Joint Venture Corporation shall be protected and governed by the relevant Chinese laws, decrees, pertinent rules and regulations and enjoy all privileges and benefits given to enterprises with foreign investment.

Article 7 The form of organization of the Joint Venture Corporation is a limited liability corporation. Each Party is liable to the Joint Venture Corporation within the limit of capital subscribed by it. Creditors of the Joint Venture Corporation shall have recourse only to the assets of the Joint Venture Corporation and shall not seek repayment from any of the Parties unless the Party to be charged has assumed liability under separate agreement. Subject to the aforesaid limitation of liability, the profits, risks and losses of the Joint Venture Corporation shall be shared by the Parties in proportion to their contribution to the registered capital on a 50:50 basis.

Chapter 5: The Purpose, Scope and Scale of Joint Venture

Article 8 The purpose of the formation of the Joint Venture Corporation is to enhance mutual co-operation, to speed up the opening of the City of Nanjing to the outside world and the construction of the City's international metropolis and to create a first-class environment and infrastructure for Nanjing's further development thereby generating economic benefits to both Parties.

Article 9 The scope of business of the Joint Venture Corporation shall be:

(a) To engage in the development and construction of tracts of land in conformance with the State policies after obtaining the land use rights.

(b) To transfer or lease land with development rights to foreign individuals, organizations, entities, overseas Chinese and compatriots from Hong Kong, Macau and Taiwan and overseas Chinese settled down in China, as well as local individuals, organizations, units and entities.

(c) To engage in real estate development and to construct all types of buildings and ancillary facilities and utility services for sale or lease in China or outside China.

(d) To provide all kinds of services relating to real estate development and construction (including planning and structuring of real estate development projects, advising and supervising the design work, supervising the construction work and project management, handling all approval procedures, acting as agent for sale or leasing and providing property management services, etc.).

(e) To operate within the Comprehensive Development Zone hotels, restaurants, entertainment centres, shops, convention centres, clubs, golf courses, parks, utilities services, etc. and to provide other service facilities according to planning requirements.

Article 10 The scale of business of the Joint Venture Corporation shall be as follows:

The Phase I Project shall be the development of a piece of land of 2,000 mou within the Xianlin Agricultural and Grazing Farm at Xian He Men, Xi Xia District, Nanjing (approximate location of this piece of land is shown on the map annexed hereto as Schedule 2.) This shall be the Phase I Project of the Joint Venture Corporation.

The remaining land of Xianlin Agricultural and Grazing Farm shall be developed by Phases. The total area of the Xianlin Agricultural and Grazing Farm is approximately 18 square kilometres, which shall be the Comprehensive Development Zone of the Project. (Its approximate location is shown on the map annexed to hereto as Schedule 1.)

Chapter 6: Development by Phases

Article 11 The Parties shall establish the Joint Venture Corporation to carry out the Phase I Project. The Parties further agree that they shall, after fulfillment all the requirements listed in Article 28 hereof (or after Party B has, by notice, waived all or any of the same), proceed to develop the Comprehensive Development Zone in accordance with the Comprehensive Development Plan by Phases. The timing, size, location and plan for the development of the Subsequent Phases shall be determined by the Board of Directors from time to time in accordance with the market situation then prevailing.

Article 12 Party A shall provide to the Joint Venture Corporation the land of the Phase I Development Zone and Party A shall also pay the relevant land use right assignment fee required to be paid. Party A shall further provide at no cost to the Joint Venture Corporation all the lands required in the Subsequent Phases. Provided however that the land use right assignment fee required to be paid in each of the said Subsequent Phases shall be borne by the Joint Venture Corporation and the compensation for relocation should be dealt with in accordance with the provisions specified in Chapter 12 of this Contract.

Article 13 The Joint Venture Corporation is obligated to complete at least 40% of the Basic Infrastructure to the Phase I Development Zone within 3 years of the issuance of the Original Business Licence. The Joint Venture Corporation shall be obligated to complete all of the Basic Infrastructure of the Phase I Development Zone and at least 40% of the Basic Infrastructure of the next 2000 mou of Saleable Land Area before the end of the Year 2000. The time for complying with the aforesaid construction requirements shall be extended correspondingly if any one or more of the requirements set out in Articles 20(2), 24, 25 or 26 or those of Article 31 are delayed or not fulfilled.

Article 14 The Parties agree, in principle, that any profits generated from any Phase of the development may be used, to such extent as may result in the maximum tax advantage to both Parties, for reinvestment into Subsequent Phases. The Board of Directors shall determine, within three (3) months after the end of each fiscal year, the exact ratio between the profit distribution and profit retention for that fiscal year. Such decision shall be made with reference to the tax advantage mentioned above and the financial position of the Joint Venture Corporation at the material time.

Chapter 7: Total Amount of Investment and the Registered Capital

Article 15 The total amount of investment of the Joint Venture Corporation shall be in the region of THIRTY MILLION US DOLLARS (US$30,000,000.00).

The registered capital of the Joint Venture Corporation shall be TWENTY MILLION US DOLLARS (US$20,000,000.00).

Article 16 The Parties shall contribute to the registered capital as follows:

(a) Party A's contribution shall be the land of the Phase I Development Zone (with premium paid) as its investment, which is equivalent to TEN MILLION US DOLLARS (US$10,000,000.00) accounting for 50% of the registered capital of the Joint Venture Corporation.

(b) Party B's shall contribute TEN MILLION US DOLLARS (US$10,000,000.00) accounting for 50% of the registered capital of the Joint Venture Corporation. Party B's contribution shall be converted at the swap rate quoted by the Foreign Exchange Swap Centre of China on the date of contribution.

Article 17 Party A shall contribute the land use right of the Phase I Development within the time period provided in Article 39 and shall contribute the land use right for each of the Subsequent Phases of the Project and complete the demolition of the building's structure and removal of the occupants of such Phase according to the

development schedule to be determined by the Board of Directors from time to time.

Article 18 Party B shall pay its contribution to the registered capital in accordance with the following schedule:

(a) US$50,000.00 will be contributed within 14 business days of the signing of this Contract. If the Duplicate Business Licence is not issued within sixty (60) days of the signing of this Contract, Party B's initial US$50,000.00 contribution shall be refunded together with interest accrued up to the date of refund.

(b) An additional US$700,000.00 will be contributed within 30 days of the issuance of the Duplicate Business Licence.

(c) An additional US$750,000.00 will be contributed within 90 days of the issuance of the Duplicate Business Licence. Once Party B has made contributions up to 15% of its share of the registered capital i.e. US$1,500,000.00, an Original Business Licence shall automatically be issued to the Joint Venture Corporation forthwith.

(d) An additional US$2,500,000.00 will be contributed when

(i) the official records of the Joint Venture Corporation show that 70% of the previously contributed US$1,500,000.00 has been expended; and

(ii) the Joint Venture Corporation has received financing commitments satisfactory to Party B and sufficient to complete the Phase I Project.

(e) An additional US$3,000,000.00 will be contributed when the official records of the Joint Venture Corporation show that 70% of the previously contributed US$4,000,000.00 has been expended.

(f) A final additional contribution of US$3,000,000.00 will be made when the official records of the Joint Venture Corporation show that 70% of the previously contributed US$7,000,000.00 has been expended.

The Parties agree that notwithstanding the provisions of the above contribution schedule and subject to the extension hereinafter mentioned, Party B will contribute the full amount of US$10,000,000.00 registered capital within 18 months of the issuance of the Original Business Licence.

PROVIDED HOWEVER THAT if all or any of the requirements set out in Article 24(1), (2), (3), (6), (7), (8), (9), (10), Article 25, Article 31(2) and (3) cannot be fulfilled within the time period prescribed in this Contract, then the timing of payment of the respective sums set out in (b) through (f) above will be extended correspondingly.

Article 19 The Parties further agree that Party A and Party B may submit to the Board of Directors bills for certain items paid by the respective Parties for the preparation of the Project for the benefit of the Joint Venture Corporation during the planning stage prior to the formal formation of the Joint Venture Corporation. Upon approval from the Board of Directors, such expenses shall be reimbursed to the relevant Party by the Joint Venture Corporation.

Article 20 (1) The deficiency between the total investment amount and the registered capital may be financed by loans borrowed by the Joint Venture from banks, financial institutions, other local or overseas companies or individuals. The Joint Venture may put up all or any of its assets, rights and interests as security.

(2) If within 90 days after the issuance of the Duplicate Business Licence to the Joint Venture Corporation, the Joint Venture Corporation has failed to obtain financing commitments necessary to carry out the Phase I Project, on terms and conditions satisfactory to Party B, Party B's obligations to make further capital contributions pursuant to Article 18(c) shall be extended and through friendly consultation, the Parties may adjust the development schedule of Phase I Project and neither Party will be liable for breach of this Contract.

Article 21 The profits, risks and losses of the Joint Venture shall be shared by the Parties in the ratio of 50:50.

Article 22 Party B may legally convert into foreign currency and remit out of China at any time all the profits received by it from the Project. All profits to be distributed to Party B shall, to the extent of the foreign currency available to the Joint Venture Corporation, be paid to Party B in foreign currency. As to the balance of the amount payable to Party B, the Joint Venture Corporation shall arrange for foreign exchange to be obtained at the Foreign Exchange Swap Centres.

Chapter 8: Transfer of Interests in this Contract

Article 23 Neither Party shall transfer all or part of its registered capital in the Joint Venture Corporation without (i) the prior written consent of the other Party, which consent may, in the other Party's sole discretion, be granted on such terms as the other Party determines, or may be withheld and (ii) any necessary approval from the Examination and Approval Authority.

When one Party wishes to transfer all or part of its registered capital in the Joint Venture Corporation, the other Party shall have the pre-emptive right to purchase.

Chapter 9: Requirements of Phase I Project

Article 24 The Parties hereby undertake to use their best endeavours and commit to co-operate and work diligently and shall accomplish all the requirements identified below no later than 28 days after the Duplicate Business Licence is issued to the Joint Venture Corporation:

(1) Approval of the Project and all the Contract, Agreement and Articles of Association relating thereto by the relevant government authorities with examining and approving power;

(2) Certification by the relevant government authority with the requisite power to the grant of land use rights, approving the assignment of the land comprised in the Phase I Development Zone to the Joint Venture. Furthermore, the Parties and the said government authority shall have agreed on the contents of the Land Use Right Assignment Contract, including:

(i) the permitted use of the Phase I Development Zone shall include commercial, light industrial, high technology, office building, residential commodity building, recreational, educational, tourist industry and comprehensive mixed uses.

(ii) the total permitted floor area of the Phase I Development Zone shall be no less than _____ square meters.

(iii) all other terms shall be in conformance with those set out in Article 28(2) (b) through (i) inclusive.

(3) The People's Government of the City of Nanjing acknowledges that Party A may lawfully reserve all the land within the Comprehensive Development Zone for the Joint Venture Corporation for the period of reservation specified in this Contract and further guarantees that it shall not, during the period of reservation, resume any land within the Comprehensive Development Zone or approve the resumption of such land by any other parties except for the purpose of this Project.

(4) The People's Government of the City of Nanjing shall, in accordance with the planning of the development of the City, establish a major international, business, trade, culture and recreation centre in the location as shown in the Comprehensive Development Plan annexed in Schedule

l herein or at such other location as may be agreed by the Joint Venture and the People's Government of the City of Nanjing. The People's Government of the City of Nanjing shall, as soon as practical after the Joint Venture has completed the comprehensive development of 4,000 mou of land or at such earlier date as the Joint Venture and the People's Government of the City of Nanjing may agree, construct the Centre.

(5) The People's Government of the City of Nanjing shall construct an underground railway transport system to link up the Comprehensive Development Zone and the centre of the City of Nanjing and other areas as soon as practical after the population of the Comprehensive Development Zone exceeds 100,000 or at such earlier date as the People's Government of the City of Nanjing determines.

(6) Party A shall apply to and arrange with the People's Government of the City of Nanjing that the City shall provide, operate, manage and maintain adequately, for each Phase of the Project, police stations, fire brigades, post offices and other public facilities and services. Party A shall be responsible to apply for and obtain from the People's Government of the City of Nanjing the provision of adequate school and clinic facilities necessary to support the growth of the Project. Nevertheless, the Joint Venture shall reimburse Party A for the cost associated with the relocation of the existing schools and clinics which are located within the Comprehensive Development Zone as of the signing of the Agreement, according to Articles 34 through 37, inclusive.

(7) The People's Government of the City of Nanjing acknowledges that, in accordance with the relevant tax laws, the City shall grant to investors within the Comprehensive Development Zone favourable tax treatments and favourable tax reductions similar to those granted to investors in an Economic and Technological Development Zone. The Joint Venture Corporation shall apply for the favourable tax treatments and reductions and the Parties acknowledge the importance of these tax incentive to the success of the Project.

(8) The People's Government of the City of Nanjing acknowledges that, in accordance with the tax laws of the state, starting with the year when the Joint Venture begins to generate net taxable profits, the City shall grant to the Joint Venture Corporation, the tax treatment set forth in (i), (ii) and (iii) below:

(i) For the first and second years - Tax free;

(ii) For the third, fourth and fifth years - At the most favourable rate applicable at that time for similiar business which rate shall not exceed 15%;

(iii) From the sixth year on, paying tax at the rate stipulated by the "Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises" now in force provided that where there are any new legal enactments which allow for more preferential tax treatments, reductions and exemptions, the Joint Venture shall be entitled to obtain the same.

(9) Assurance from the People's Government of the City of Nanjing that it will expedite with the issue of all permits, approvals, licences etc. required by the Joint Venture for the carrying out of this Project or any part thereof and to use its best efforts to assist the Joint Venture to smoothly complete this Project.

(10) The People's Government of the City of Nanjing acknowledges that the term in respect to the land use rights of the Phase I Development Zone shall respectively be as follows:

(i) 70 years for residential purposes;

(ii) 50 years for industrial purposes;

(iii) 50 years for the purposes of education, science, culture, public health and physical education;

(iv) 40 years for commercial, tourist and recreational purposes; and

(v) 50 years for comprehensive utilization or other purposes.

(11) The Parties agree that approval of the Contract and related documents by the People's Government of the City's of Nanjing constitutes the City's approval of all the provisions of the documents.

Article 25 Party A hereby undertakes to use its best endeavours and commits to work diligently and shall accomplish all of the requirements identified below no later than 28 days after the Duplicate Business Licence is issued to the Joint Venture Corporation:

(1) The Nanjing Municipal Government has introduced to both Party A and Party B the urban planning and development schedule which has been formally announced. This schedule is set forth below and will be carried

out each year, with necessary adjustments to the timing of completion of development, according to the City's master planning:

(a) Completion of the first ring road as shown in Schedule 3 by the end of 1994;

(b) Completion of the high speed expressway from Nanjing to Shanghai as shown in Schedule 3 by the end of 1996;

(c) Completion of the Nanjing Luokou Airport by the end of 1996;

(d) Completion of the new service road to the harbour area; and

(e) Completion of the second ring road as shown in Schedule 3 by the end of 1999.

(2) Party A shall provide to Party B with an itemized list of taxes, fees and rates that would apply to the Phase I Project within the time limit stipulated in Articles 25 of this Contract.

(3) Party A agrees that it shall be responsible to apply to and obtain from the People's Government of the City of Nanjing the provision, in accordance with the relevant standards of the City of Nanjing, of all the off-site public facilities necessary to support and complement the facilities of the Joint Venture. The off-site public facilities include roads, energy supply systems, water supply systems, drainage systems and communications facilities.

Article 26 Party A shall, throughout the term of this Joint Venture, be responsible to apply to and obtain from the relevant government authorities the following facilities:

(1) Adequate power supply to be made available on a timely and continuous basis to support the uninterrupted development of the Project;

(2) Adequate supply of water meeting the same standards of water supply made available to users elsewhere in the City of Nanjing to be made available on a timely and continuous basis to support the uninterrupted development of the Project; and

(3) Adequate, reliable and continuous telephone and other telecommunication services to be made available on a timely and continuous basis to support the uninterrupted development of the Project.

Article 27 The Parties acknowledge that all the requirements listed in Articles 24 through 26 inclusive are for the benefit of Party B only. Party B shall have the right to waive any or all of these requirements.

Chapter 10: Requirements of Subsequent Phases

Article 28 Subject to the provision of Article 29 herein, both Parties agree that they shall commence the development of the Subsequent Phases of the Project only after all the following requirements have been satisfied:-

(1) Both Parties undertake to use their best endeavours to apply to all the relevant government authorities for approval to carry out tract development of the Comprehensive Development Zone and to further apply to have part or the whole of the Comprehensive Development Zone to be zoned as an Economic and Technological Development Zone. Immediately after the execution of this Contract, both Parties shall diligently proceed to prepare project proposals for tract development in accordance with the Comprehensive Development Plan and land use specified in Schedule 1 hereto for submission to the State Council, where required, via the municipal government of Nanjing and the provincial government of Jiangsu for approval.

(2) The approval referred to in Article 28(1) above shall include the approval by all the relevant government authorities to the grant of the Comprehensive Development Zone by stages in accordance with the following basic terms:

(a) The land use right assignment fee shall be

For Phases 2 and 3:-

(i) The land use right assignment fee for every 2,000 mou of Salable Area
= US$10,000,000.00 + Accumulated Adjustment Amounts (hereinafter defined)

(ii) "Accumulated Adjustment Amounts" for the purpose of 28(2)(a)(i) above are computed as follows:-

[A] The Period of Adjustment shall commence from the date of establishment of the Joint Venture Corporation to the date of execution of the land use right assignment contract in respect of the land of a particular Phase.

[B] The Annual Adjustment Rate within the Period of Adjustment = PIPC index for the previous year or the most recent twelve month period or 8%, whichever is the lower.

[C] Adjustment for Each Year = Land Use Right Assignment Fee of the Preceding Year calculated in accordance with the provision specified in Article 28(2)(a) x Annual Adjustment Rate for Current Year.

[D] If the period of adjustment covers only part of a particular year, the adjustment rate of that particular year shall be computed according to the ratio of the number of months covered divided by 12 provided that a period of less than one month is counted as one month in the calculation of the number of months.

[E] Accumulated Adjustment Amounts = Aggregate of all adjustments during the Period of Adjustment.

For Phase 4 and all Subsequent Phases:-

(i) 80% of the lowest land use right assignment fee charged by the People's Government of the City of Nanjing on any other rural, undeveloped, agricultural land of a similar type during the twelve months proceeding the execution of the land use right assignment contract in respect of the land of a particular Phase.

(b) The phasing of the grant of the land use rights of the Comprehensive Development Zone may be spread over a period of 15 years subject to extension in the event any of the delays listed out in Article 31 of this Contract shall occur which extension shall be for the same period(s) as the period(s) of delay. For the major infrastructure projects identified in Article 31, there shall be a six month grace period.

(c) The time of grant, quantity and location of the land of each Phase shall be granted by the Land Bureau in accordance with the request of the Joint Venture Corporation, provided that the Joint Venture shall complete at least 40% of the construction of the Basic Infrastructure of a prior Phase before it may enter into

a grant of land use right contract with the Land Bureau in respect of the land of a Subsequent Phase.

(d) The schedule of payment of the land use right assignment fee in respect of each grant of land use rights shall be determined by the Parties in accordance with the applicable government regulations.

(e) There shall be no restriction whatsoever on the transfer by the Joint Venture of the land use rights of the Comprehensive Development Zone to local or foreign purchasers other than the requirements that 20% of the Basic Infrastructure in the Phase has been completed prior to the actual transfer of the Land Use Rights to a third party. Said requirement shall not restrict the Joint Venture from taking deposits on any tract within a Phase prior to the completion of 20% of the basic infrastructure. The Board of Directors may adopt from time to time standards applicable to the type and quality of construction within the Comprehensive Development Zone. These standards shall apply to tracts of land sold to third party purchasers.

(f) Upon payment of the land use rights assignment fee therefor, the Joint Venture shall be entitled to mortgage its land use rights or utilize it in any way for the purpose of raising finance.

(g) The Joint Venture shall be entitled to enter into agreements for the pre-sale of land use rights in any Phase prior to the completion of the Basic Infrastructure or part thereof in that Phase.

(h) The term of years of the land use right of any land of the Comprehensive Development Zone shall be the maximum term allowable under the Laws of the People's Republic of China in force at the time of assignment of the land use right for the same type of land. The commencement date of the term shall be the date of issue of the land use right certificate for the land.

(i) The Joint Venture Corporation may nominate any Subsidiary Company to acquire the land use right of any phase. The Joint Venture Corporation may also transfer any land use right or part thereof owned by the Joint Venture Corporation to its Subsidiary Company or Holding Company or a Subsidiary Company or Holding Company of a Party and such Subsidiary Company or Holding Company shall complete all outstanding obligations, if

any, that remain to be completed under the provisions specified in the land use right grant contract.

Article 29 The Parties acknowledge that all the requirements listed in Article 28 are for the benefit of both Party A and Party B as well as the Joint Venture Corporation. If there should be a delay in the satisfaction of one or more of these requirements then the Parties may, through friendly consultation and negotiation, extend the time or, temporarily or permanently waive one or more of the unsatisfied requirements and commence the development of any or all of the Subsequent Phases of the Project.

Chapter 11: Reservation of Right

Article 30 Party A agrees that it shall reserve the Comprehensive Development Zone exclusively for the development in Phases by the Joint Venture in accordance with the provisions of this Contract.

Article 31 The period of all reservation shall commence from the signing of this Contract and shall continue until 15 years after the approvals by all the relevant government authorities as to those items in Article 28 hereof have been obtained. The said 15 years period shall be extended correspondingly if the items specified below are not completed within the time periods specified in this Contract.

(1) the transportation networks and facilities specified in Articles 25 and 26;

(2) the clearance and relocation of the original occupants of each Phase and the effective transfer of the land use right of that Phase to the Joint Venture Corporation within the time limit specified in the construction schedule approved by the Joint Venture; or

(3) the grant of any permit, approval or licence etc. required for the carrying out of this Project or any part thereof.

Article 32 During the period of reservation, excluding the land use rights which have been acquired by the Joint Venture Corporation, any material changes to the land by Party A shall not increase the cost of development or relocation to Party B or to the Joint Venture Corporation. However, it is understood that Party A shall be entitled to carry out its existing farm operations in the normal course of business and to provide adequate and necessary residential housing to accommodate the growth of existing family units and the removal and replacement cost for these additional residential family units and the existing farm operations shall be reimbursed to Party A by the Joint Venture Corporation as set forth in Article 35. Party A will also be entitled to undertake new or expanded activities on the reserved portion of the Project or allow new occupants

to move in at Party A's sole cost and expense so long as it does not increase the cost to Party B or the Joint Venture Corporation.

Article 33 Before the actual transfer of the land use right to the Joint Venture Corporation, the land use right to the land of the Comprehensive Development Zone shall remain vested with Party A, all risks in connection therewith shall remain with Party A and Party A shall be entitled to determine the use of the said land.

Chapter 12: Compensation and Relocation

Article 34 Party A shall be responsible for completing the clearance of the land for each Phase of the Project and the relocation of the original occupants and users thereon in accordance with the time limits specified by the Board of Directors.

Article 35 Party A shall only be entitled to reimbursement of expenses associated with the replacement of buildings owned by unaffiliated third parties. (That is, no reimbursement shall be due Party A for the replacement of buildings owned by Party A, its subsidiaries or affiliates. Party A shall be entitled to removal compensation for these buildings.) The Parties understand that certain buildings owned by Party A are considered public facilities and the Parties agree that Party A shall be entitled to replacement compensation for these facilities. The Parties agree that the buildings owned by Party A for which Party A shall be entitled to replacement compensation are as follows:

(i) 3 primary schools,
(ii) 1 middle school,
(iii) 1 kindergarten; and
(iv) 1 small health clinic.

Residences owned by staff of Party A shall be eligible for reimbursement. Individual workers shall also be entitled to compensation for lost jobs where the displaced worker is not re-employed by Party A, the Joint Venture or third party investors in the Project. Individuals who are dislocated from the site shall also be entitled to compensation for individual residences, which they may own within the Comprehensive Development Zone, at such time as the Joint Venture determines that an individual must be relocated to satisfy the requirements of the approved development plan. The compensation to individuals shall be determined by the Board of Directors of the Joint Venture and may be in the form of either replacement residences or direct payment of the replacement compensation fee required by the City of Nanjing's regulations, but not both. It is also agreed that Party A shall be entitled to new office facilities to replace those it currently occupies once relocation is required. These new office facilities shall be no larger than necessary in order for Party A to carry out its ongoing responsibilities. In the event that the Government makes major changes in the laws and regulations of relocation and removal, adjustments shall be made

correspondingly to the relocation compensation required to be paid to Party A by the Joint Venture Corporation.

Article 36 The upper limit of the amount of compensation for the Phase I Development Zone shall be US$6,000,000.00. The total compensation for clearance and relocation in respect of the entire Comprehensive Development Zone (including the cost for construction of any replacement houses and facilities mentioned in Articles 35 and 37) thereof shall not exceed US$60,000,000.00 on condition that no major changes be made in the existing laws of relocation and removal, and any amount in excess thereof shall be borne by Party A.

Article 37 After the signing of this Contract, both Parties shall diligently negotiate and agree to the specific arrangements for relocation and to agree on principles and formula to determine the calculation of compensation for relocation of the Phase I Project as well as all Subsequent Phases subject to the restriction that wherever replacement houses are required to be constructed, said replacement houses will be constructed in advance of the demolition of the existing residences. The details of such arrangements shall be specifically approved by the Board of Directors.

Article 38 The Parties acknowledge that Party A owns and manages two factories within the Comprehensive Development Zone. The two operations are a dairy processing plant and a cement factory. The Parties understand that it would be difficult for Party A to relocate or replace its dairy processing plant or cement factory before Party A realizes some profits from the Joint Venture. The Parties have agreed to undertake the planned development of the Comprehensive Development Zone in such a way as to avoid the need to remove these operations earlier than necessary.

Chapter 13: Transfer of Phase I Land

Article 39 (1) The Parties hereby undertake to use their best endeavours and commit to co-operate and work diligently to complete a survey of the Phase I Development Zone and the Comprehensive Development Zone as soon as possible after the execution of this Contract, but in any event to complete the survey of the Phase I Development Zone no later than 45 days after the issuance of the Duplicate Business Licence and to complete the survey of the Comprehensive Development Zone no later than 85 days after the issuance of the Duplicate Business Licence.

(2) Party A shall, within 45 days of the completion of the survey, but in no event later than 90 days from the date of the issuance of the Duplicate Business Licence, apply to obtain the Contract for the Assignment of Land Use Right for the land of the Phase I Development Zone and shall transfer the land to the Joint Venture Corporation.

(3) Until the effective transfer of the land to the Joint Venture Corporation and the obtaining of the financing commitments referred to in Article 62 hereof, all monies in excess of US$300,000.00 injected by Party B to the Joint Venture Corporation shall be held in escrow and cannot be put to use for the Project or otherwise without the express written permission of Party B. If Party A fails to effectively transfer the land to the Joint Venture Corporation within the said 90 days period, Party B is entitled to withdraw from the Joint Venture and all unexpended monies contributed by Party B shall be refunded to Party B forthwith with interest accrued up to the date of the refund. The Parties agree that the first US$300,000.00 injected by Party B shall be available to the Joint Venture Corporation to carry out essential business activities and that these funds will be managed and controlled under the close supervision of the General Manager and the Deputy General Manager. The escrow account which holds the funds in excess of US$300,000.00 shall be maintained in the Bank of China in an international account in Nanjing City, Mainland China.

Chapter 14: Responsibilities of Each Party of the Joint Venture

Article 40 Apart from those responsibilities set out in other parts of this Contract, Party A and Party B shall each be respectively responsible for accomplishing the following matters:

Responsibilities of Party A:

(1) To be responsible for applying and obtaining all approvals, permits and licences required for the establishment and operation of the Project including the approval of this Contract, the Agreement and the Articles of Association, the registration and obtaining of the business licence of the Joint Venture Corporation and other matters concerning the establishment of the Joint Venture Corporation from the relevant departments in charge in PRC;

(2) To be responsible for applying for the land use right certificate in respect to each Phase of land of the Project from the Land Bureau.

(3) To be responsible for providing the land of the Comprehensive Development Zone and paying the premium for the Phase I Project and providing the fundamental facilities such as water supply, electricity and transportation etc., as specified in the Contract.

(4) Assisting the Joint Venture Corporation in recruiting Chinese management personnel, technical personnel, workers and other personnel as needed;

(5) Assisting foreign workers and staff members in applying for the entry visas and work permits;

(6) Together with Party B, assisting the Joint Venture Corporation in the purchasing or leasing of equipments, materials, articles for office use, transportation and communication facilities which the Joint Venture Corporation needs, all of which shall be supervised by the Board of Directors;

(7) Applying to the relevant government departments to obtain the necessary planning approvals, engineering project approvals, construction permits and works permits;

(8) Assisting with the procedures for the import and the application for tax reduction in respect of materials, equipments and machineries and arrange inland transportation for such materials, equipments and machineries; and

(9) Handling other matters set forthwith in this Contract or as entrusted by the Joint Venture Corporation.

Responsibilities of Party B:

(1) Providing funds for the registered capital, organizing and managing construction of the Project in accordance with the stipulations in this Contract;

(2) Together with Party A, handling matters entrusted by the Joint Venture Corporation such as purchasing various kinds of equipments and materials needed by the Project or by the Joint Venture Corporation outside China under the supervision of the Board of Directors;

(3) Handling matters entrusted by the Joint Venture Corporation such as selling and marketing industrial, business high-tech, commercial, office, residential, and other types of developed sites to prospective purchasers from outside China. Party B shall also provide timely and necessary information about international markets so as to enable the Joint Venture Corporation to gain satisfactory economic benefits;

(4) Together with Party A, be responsible for evaluating the project, arranging the design and construction, all of which shall be subject to approval by the Board of Directors;

(5) With assistance of Party A, handling other matters entrusted by the Joint Venture Corporation such as obtaining third party loans needed by the Joint Venture Corporation; and

(6) Handling other matters as set forth in the Contract or as entrusted by the Joint Venture Corporation.

Chapter 15: Business

Article 41 Both parties shall promote the Project to business enterprises and encourage them to set up in the Comprehensive Development Zone. The Parties shall also undertake the selling of developed land and the management and business of service facilities connected with the Project. All income from the sale of developed sites inside and outside China shall be deposited into accounts opened by the Joint Venture Corporation in accordance with relevant Chinese Law. To the extent these accounts are located in China, it is understood and agreed that the Joint Venture Corporation will open and maintain accounts in both RMB and US Dollars. Deposits will be made to these accounts in such a way as to insure that the Joint Venture Corporation and both Parties achieve the maximum value with respect to their currency holdings and minimize costs associated with currency exchange or devaluation.

Chapter 16: The Board of Directors

Article 42 The date of issuance of the Duplicate Business Licence shall be the date of the establishment of the Joint Venture Corporation and the date of the establishment of the Board of Directors. The Board of Directors is the highest organ of power of the Joint Venture Corporation, which shall decide all the important matters of the Joint Venture Corporation.

Article 43 The Board of Directors is composed of ten directors, of which five shall be appointed by Party A and five by Party B. The Chairman of the Board shall be appointed by Party A and the Vice-Chairman shall be appointed by the Party B. The term of office for the directors, Chairman and Vice-Chairman is four years, whose terms of office may be renewed if reappointed by the relevant Party. Each Party can change the Director(s) it has appointed within the term of office provided that such change shall be effective only if the appointing Party shall notify the other Party and the Joint Venture Corporation in writing of the name and correspondence address of the new appointee at least seven (7) days in advance.

Article 44 The Chairman of the Board is the legal representative of the Joint Venture Corporation. The Chairman shall not sign any document or take any action on behalf of the Joint Venture Corporation without obtaining prior approval of the Board of Directors. Should the Chairman be unable to exercise his responsibilities for some reasons, he shall authorize the Vice-Chairman to represent the Joint Venture Corporation temporarily.

Article 45 The meeting of the Board of directors shall be convened at least twice a year. The meeting shall be called and presided over by the Chairman of the Board. If the Chairman of the Board is unable to attend the meeting, he shall authorize the Vice-Chairman of the Board to convene and to preside over the meeting. The Chairman shall convene an interim meeting based on the proposal put forward by three directors. Minutes of the meetings shall be filed in the records of the Joint Venture Corporation. Expenses of the meetings of the Board shall be paid by the Joint Venture Corporation.

Article 46 The procedure for convening and the place and time of the meetings of the Board and other matters relating to the procedures of the Board and the powers and duties thereof shall be stipulated in the Articles of Association.

Article 47 Resolutions involving the following matters can be decided only upon the unanimous affirmative votes of all the directors attending the meeting of the Board, either personally or by entrusted representatives:-

1. The amendment of the Articles of Association;

2. Transfer or increase of the registered capital;

3. The merger of the Joint Venture Corporation with another economic organization;

4. Termination or dissolution of the Joint Venture Corporation.

All other resolutions of the Board of Directors shall be approved by the majority of the directors attending either personally or by entrusted representatives.

Chapter 17: Management Office

Article 48 The Joint Venture Corporation shall establish the business management office which shall have one General Manager nominated by Party B and one Deputy General Manager nominated by Party A. The Board of Directors shall appoint the General Manager and the Deputy General Manager who have respectively been nominated by Party B and Party A. The term of office of the General Manager and the Deputy Manager shall be four years, and each of them may be re-appointed by the Board if re-nominated by the appropriate Party appointing him.

Article 49 The duty of the General Manager is to carry out the decisions of the Board and to organize and conduct the daily management of the Joint Venture Corporation The Deputy General Manager shall assist the General Manager in his work Should the General Manager be unable to exercise his responsibilities for some reasons, the Deputy General Manager shall be the acting General Manager.

Article 50 The General Manager, assisted by the Deputy General Manager, shall prepare a proposed organization structure and general set of operating procedures to be presented the Board for its approval at its initial meetings.

Chapter 18: Labour Management

Article 51 Labour Contracts covering all employment and compensation issues and related matters shall be drawn up in accordance with the laws and regulation of China. All policies and procedures of the Joint Venture Corporation involving these matters shall be presented to the Board of Directors for its approval at its initial meeting(s).

Chapter 19: Taxes, Finance and Audit

Article 52 The Joint Venture Corporation shall pay taxes in accordance with the stipulations of Chinese laws and other relevant regulations and shall enjoy preferential tax treatments, reductions and exemptions the government authorities in China professed that the Joint Venture Corporation shall enjoy and/or conferred on the Joint Venture Corporation by any relevant laws and regulations now in force. Provided that where there is any new legal enactment which allows for more preferential tax treatments, reductions and exemptions, the Joint Venture Corporation shall be entitled to obtain the same.

Article 53 Expatriate Staff members and workers of the Joint Venture Corporation shall pay individual income tax according to the "Individual Income Tax Law of the People's Republic of China".

Article 54 Allocations for reserve funds, expansion funds of the Joint Venture Corporation and welfare funds and bonuses for staff and workers shall be set aside in accordance with the stipulations in the "Law of the People's Republic of China on Joint Venture Using Chinese and Foreign Investment". The annual proportion of allocations shall be decided by the Board of Directors according to the business situations of the Joint Venture Corporation, provided however, that the total amount to be allocated for the reserve fund and the welfare fund and bonuses for staff and workers shall not in aggregate be more than ten percent (10%) of the after tax profits of the year so as to ensure the smooth operation of the Joint Venture Corporation.

Article 55 The fiscal year of the Joint Venture Corporation shall be from 1st January to 31st December. All vouchers, accounting books, accounting statements, reports and accounting supporting documents shall be written in both Chinese and English. Renminbi shall be adopted as the standard currency for accounting.

Chapter 20: Term of Joint Venture

Article 56 The term of the Joint Venture Corporation is thirty (30) years. The establishment of the Joint Venture Corporation shall start from the date on which the Duplicate Business Licence is issued.

Chapter 21: Disposal of Assets Upon Termination of the Joint Venture

Article 57 Upon the expiration of the term of the Joint Venture or termination before the said date of expiration, liquidation shall be carried out according to law. Any surplus after settling all the debts and taxes (including any loan made by the Parties and interest thereon other than its share of registered capital), shall be distributed between the Parties in accordance with their respective proportions in the registered capital.

Chapter 22: Insurance

Article 58 All risks insurance policies shall be taken out for the benefit of the Joint Venture Corporation and shall be underwritten with a reputable insurance company which is lawfully allowed to carry on business in China. The type, value and duration of insurance shall be decided by the Board of Directors.

Chapter 23: Purchase of Equipment and Materials

Article 59 In purchasing required materials, equipments, machineries and tools, articles for office use and transportation facilities etc., the Joint Venture Corporation shall give priority to purchasing in China where conditions are the same.

Article 60 When the Joint Venture Corporation entrusts Party B to purchase equipment on overseas markets a nominee of Party A shall be invited to assist in the purchasing whenever the circumstance so warrant. The purchase price paid by the Joint Venture Corporation shall be based on the price stated in the original invoice after consultation with both Parties. In case of disputes, the purchase price shall be decided with reference to international market price or through consulting the relevant departments and shall be recorded into the accounts of the Joint Venture Corporation after verification by the accountants and confirmation by the Board of Directors.

Chapter 24: Amendments, Alterations and Discharge of the Contract

Article 61 Amendments, if any, of this Contract and its appendices shall come into force only after written agreement signed by Party A and Party B and approved by the original Examination and Approval Authority.

Article 62 The Joint Venture Corporation shall be dissolved and its affairs wound up on the occurrence of any one or more of the following events: the expiration of the term of the Joint Venture as provided in Article 56; the prior written consent of the Parties; an event making it unlawful for the business of the Joint Venture Corporation to be carried on; the bankruptcy of either Party or the Joint Venture Corporation; the withdrawal or resignation of either Party, in which event the withdrawing Party would be liable for damages for breach of the Contract; the decree of a court of competent jurisdiction declaring that the Joint Venture Corporation be dissolved; the sale or disposition of all or substantially all of the assets of the Joint Venture Corporation; the failure of the Joint Venture Corporation to obtain, within a reasonable time frame mutually agreed by the Parties, third-party financing commitments satisfactory to Party B and sufficient to complete the Phase I project, which failure shall not constitute a breach of this Contract by either Party; or the occurrence of any other events of dissolution or termination provided for in this Contract.

Dissolution resulting from the above occurrences shall be in accordance with the provisions of this Contract and subject to approval by the original Examination and Approval Authority.

Article 63 Should the Joint Venture Corporation be unable to continue its operations or achieve the business goals stipulated in this Contract due to the fact that one of the contracting Parties fails to fulfill the obligations prescribed by this Contract, the Agreement or the Articles of Association, or seriously violates the stipulations of this Contact, the Agreement and Articles of Association, then the non-defaulting Party shall have the right to elect either to continue with the Contract or to terminate the Contract. If the non-defaulting Party elected to continue the operation, the Party in default shall be liable for the economic losses thus caused to the non-defaulting Party and to the Joint Venture Corporation.

Chapter 25: Liabilities for Breach of Contract

Article 64 Should either Party A or Party B fail to pay on schedule its contributions in accordance with the provisions defined in Chapter 7 of this Contract, the defaulting Party shall pay interest to the other Party, at the rate of 8% per annum of the contribution which is delinquent starting from the first month after exceeding the time limit. Should the defaulting Party fail to pay after three months, it shall pay interest at the rate of 10% per annum of the delinquent contribution to the other Party, who shall have the right, after 90 days of delinquency, to terminate the Contract and to claim damages against the defaulting Party in accordance with the stipulations in Article 66 of this Contract.

Article 65 Should all or part of the Contract and its supplements and appendices be unable to be fulfilled owing to the fault of one Party, the Party in default shall bear the

responsibilities thus caused. Should it be the default of both Parties, they shall bear their respective responsibilities according to actual situations.

Article 66 Either Party who breaches any of the provisions of this Contract shall be liable to compensate the losses suffered by the other Party and the Joint Venture Corporation as a result of such breach(es).

Chapter 26: Force Majeure

Article 67 "Force Majeure" shall mean all events which are beyond the control of the Parties to this Contract and which are unforeseen, or if foreseen, its occurrence and consequence unpreventable and unavoidable and which directly affect the performance of the Contract or prevent the performance of the Contract according to stipulated conditions. Such events shall include but are not limited to earthquakes, typhoons, riots, floods, fires, war, disruption of communications or transportation and other similar events. Should an event of Force Majeure occur, the Party encountering Force Majeure shall promptly inform the other Party in writing and shall furnish documentary proof of the event and the reason for the non-performance of the Contract within 15 days of the event. Such proof shall be issued by the local Notary Public Office. Both Parties shall assess the effect of the event, consult with each other in order to decide whether to terminate the Contract or to suspend contractual obligations or to delay the performance of the Contract. As soon as the event of Force Majeure ends, the Party encountering Force Majeure shall resume performance of the Contract.

Chapter 27: Applicable Law

Article 68 The formation of the Contract, its validity, interpretation, execution and settlement of disputes shall be governed by related laws of the People's Republic of China. But in the event that there is no published and publicly available law in China governing a particular matter relating to this Contract, reference shall be made to general international commercial practice.

Chapter 28: Settlement of Disputes

Article 69 Any disputes arising from the execution of, or in connection with, the Contract shall be settled through friendly consultation between both Parties. In case no settlement can be reached through consultations, the disputes shall be submitted to a mutually agreeable neutral international arbitration forum for arbitration in accordance with its arbitration rules. In the event that the Parties cannot agree on a neutral forum with thirty (30) days after the dispute arises, then on the request of either Party, the arbitration proceedings shall be held in Stockholm, Sweden. The arbitration award shall be final and binding on the Parties. The costs of the arbitration shall be borne by the losing party.

Article 70 During the arbitration, the Contract shall be performed continuously by both Parties except for the disputed part that is undergoing arbitration.

Chapter 29: Confidentiality

Article 71 All confidential information relating to the Joint Venture Corporation including technology records, sale and finance data, important decisions and other commercial information shall not be disclosed to outsiders or used for any purpose other than for the benefit of the Joint Venture Corporation without the consent of the Board of Directors. Each Party shall be responsible to ensure that the directors nominated by that Party shall comply with this obligation of confidentiality.

Chapter 30: Guarantee

Article 72 Party B shall provide a formal legal document from Atlantic Gulf Communities Corporation guaranteeing that Atlantic Gulf Communities Corporation shall accept all legal and financial responsibilities for all acts and actions of Party B. The Guarantee shall remain effective even in the event of the bankruptcy of Party B and shall be attached to, and be an inseparable part, of this Contract. This provision is for the benefit of Party A only.

Chapter 31: Language and Others

Article 73 The Contract shall be written in Chinese and English. Both languages shall be equally authentic. Any disputes regarding interpretation shall be resolved in accordance with the Settlement of Disputes section of Chapter 28.

Article 74 The Articles of Association to be adopted by the Parties for the operation of the Joint venture Corporation have been prepared in accordance with the principles of this Contract and will form an integral part of this Contract.

Article 75 This Contract and its supplements shall become effective on the date of approval of the Examination and Approval Authority.

Article 76 Any written notice, communication or document under this Contract shall be given or made both in Chinese and in English and may be effected by fax to the addressee's fax number or by prepaid registered air mail or physical delivery to the correspondence address of the addressee. If the aforesaid notice, communication or document is sent by fax or telegram, they shall be supplemented by sending the original document by post or by personal delivery to the addressee unless the addressee has sent acknowledgement of receipt by return fax to the sender. The respective addresses and fax numbers of the Parties for the purposes of notification are as follows:

(1) Particulars of Notification of Party A:

Address: Xian He Men, Nanjing, Jiangsu Province, China
Fax No.: (25)5563939

(2) Particulars of Notification of Party B:

Address: 2601 S. Bayshore Drive Miami, FL 33133-5461, U.S.A.
Fax No.: (305)859-4387

Article 77 Any notice given under Article 76 shall be deemed to have been received by the addressee:

(1) if by post, 21 days after the date of posting;

(2) if by personal delivery, the date on which the notice is delivered to the correspondence address of the addressee.

A notice or document sent by post is deemed duly served if it is proved that it has been posted, sufficient postage has been paid and the address on the envelope is stated correctly. A document sent by personal delivery is deemed duly served if it is proved that the courier has delivered the same to the correspondence address of the addressee.

Article 78 Unless specifically declared otherwise in this Contract, any Article or a part thereof in this Contract becoming void or invalid would not affect the validity of the other Articles or the other parts of the Article. In order to maintain the continuity and validity of the Contract, both Parties shall, through friendly consultations, delete or rectify the invalid Article or invalid part of the Article and maintain unchanged the basic principle of agreement of the Parties.

Article 79 If the provisions contained in the Agreement, the feasibility report, any other agreement, undertaking, memorandum, letter, telegram and other documents which came into existence before the signing of this Contract conflict with this Contract, this Contract shall prevail.

Article 80 The failure of any Party to require the other Party to perform all or any of the terms of this Contract shall not affect the right of that Party to request for specific performance in the future. If one Party acts in breach of any provision of this Contract and the other Party waives its rights or remedies, this shall not constitute a waiver of any continued breach or future breach of that provision or waiver of any other rights under the Contract.

Article 81 If either Party's economic benefits are adversely and materially affected by the promulgation of any new laws, rules or regulations of China or the amendment

or interpretation of any existing laws, rules or regulations of China after the date of this Contract, the Parties shall promptly consult with each other and use their best endeavors to implement any adjustments necessary to maintain each Party's economic benefits derived from this Contract on a basis no less favorable than the economic benefits it would have received if such laws, rules or regulations had not been promulgated or amended or so interpreted.

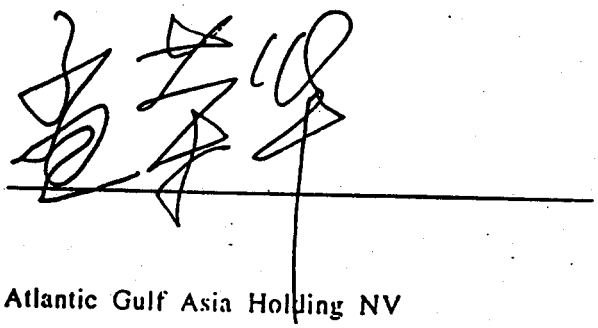
Article 82 The termination of the Contract would not affect the rights of and benefits to the Parties before the termination or as a result of the termination which rights and benefits shall survive the termination of this Contract and the dissolution or liquidation of the Company.

Article 83 This Contract shall compose of six sets with one Chinese copy and one English copy to form one set. Each set shall have equal legal force. Each Party shall retain one set. The remaining four sets shall be submitted to the Examining and Approval Authorities for approval.

Article 84 This Contract is signed by the authorized representatives of the Parties and dated the day of 1993.

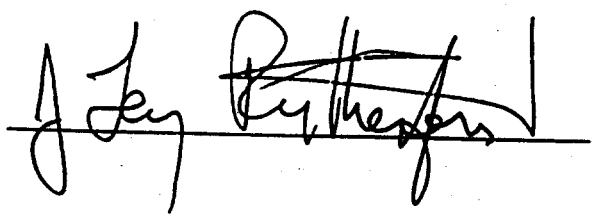
Party A : Nanjing Xianlin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise)

Authorised Representative :



Party B : Atlantic Gulf Asia Holding NV

Authorised Representative :



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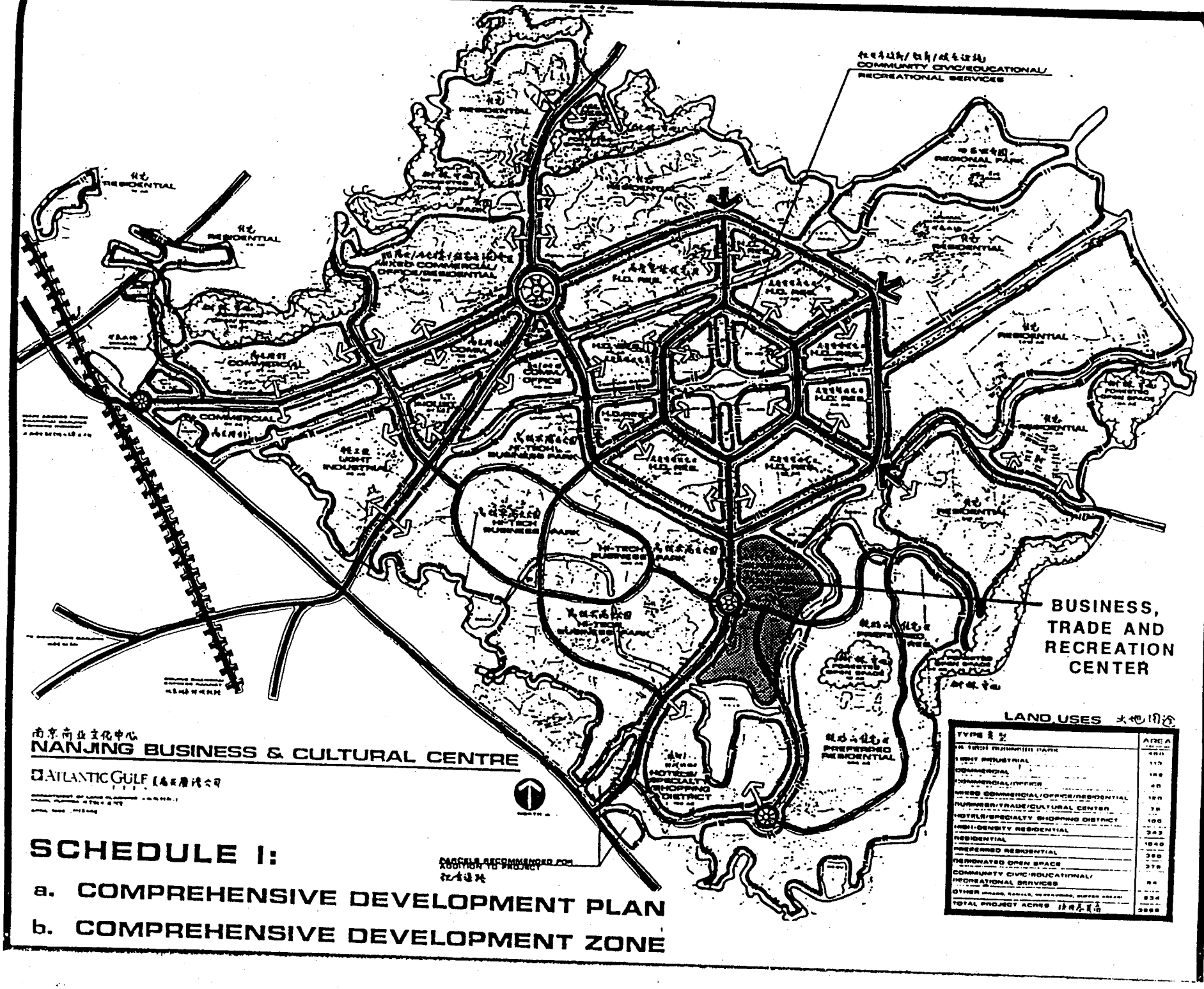


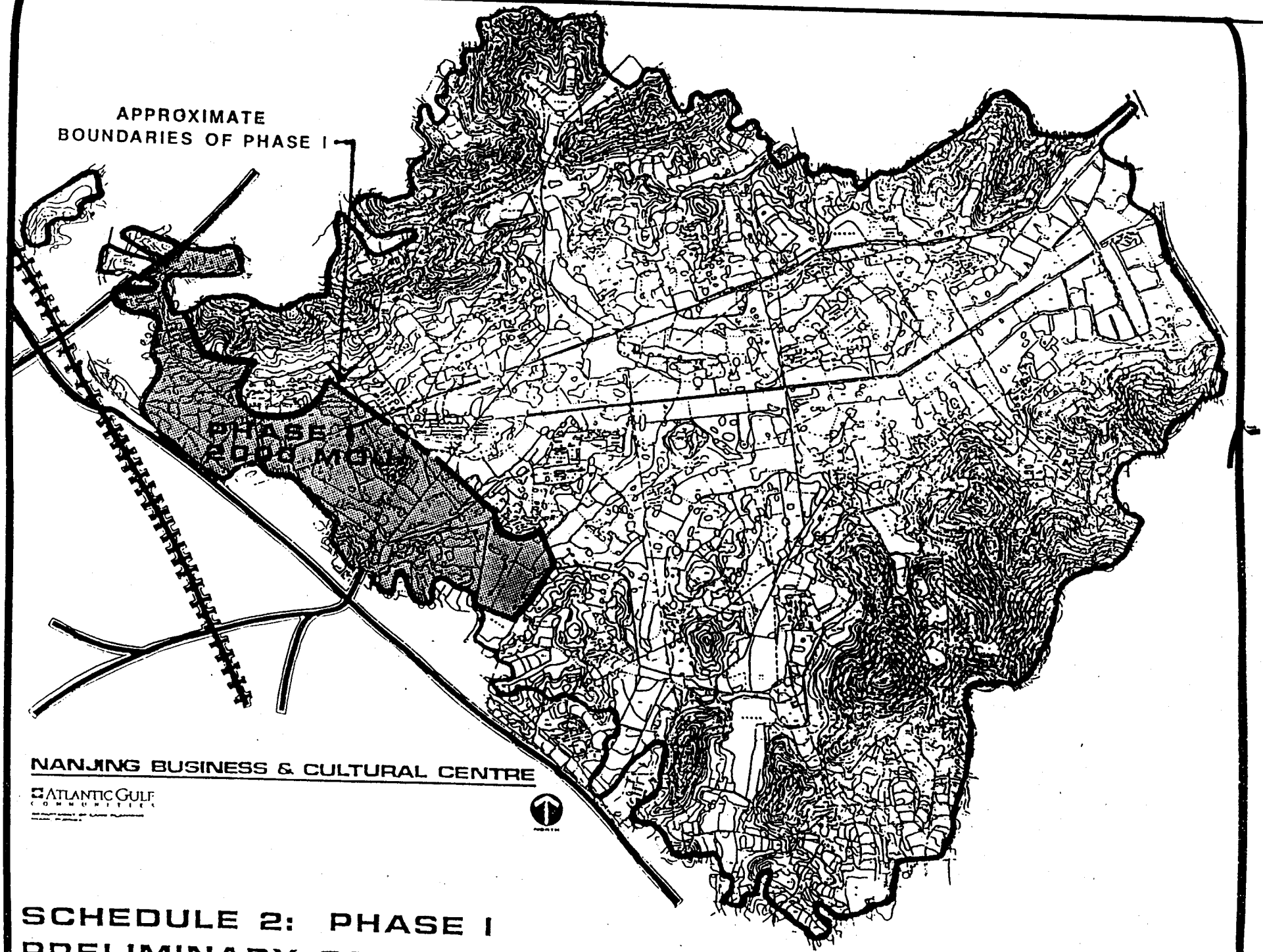
南京商业文化中心
NANJING BUSINESS & CULTURAL CENTRE

ATLANTIC GULF

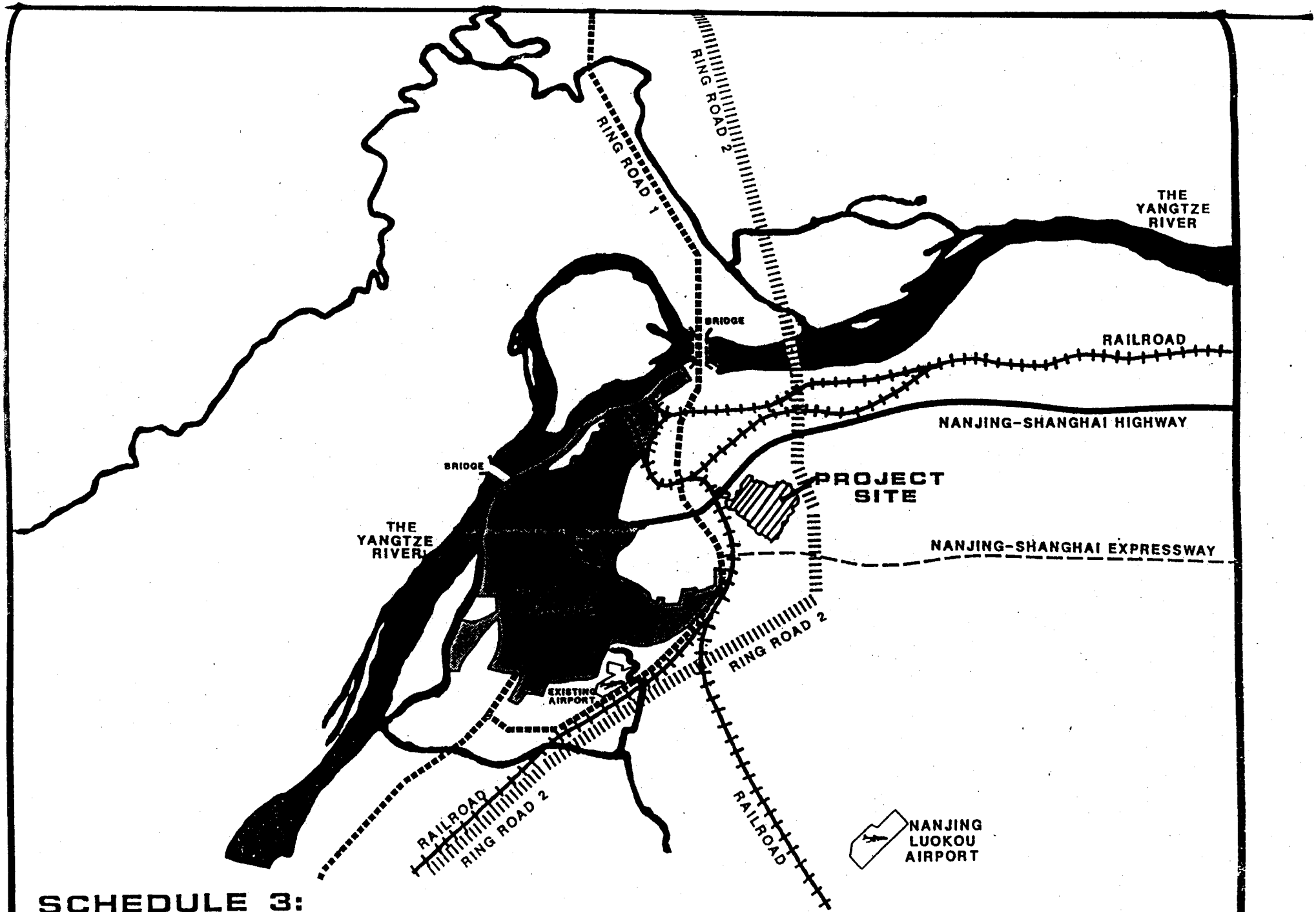
SCHEDULE I:

a. COMPREHENSIVE DEVELOPMENT PLAN

b. COMPREHENSIVE DEVELOPMENT ZONE



SCHEDULE 2: PHASE I
PRELIMINARY COMPREHENSIVE DEVELOPMENT ZONE



SCHEDULE 3:
LOCATION MAP OF COMPREHENSIVE DEVELOPMENT ZONE

GUARANTEE

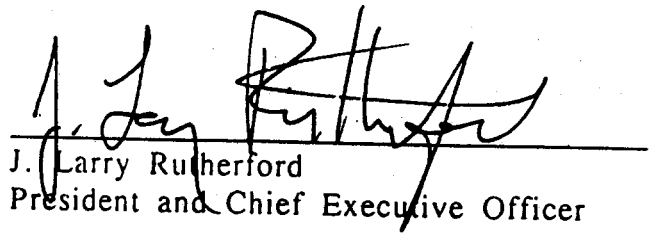
WHEREAS, Nanjing Xian Lin Agricultural and Grazing Farm (Nanjing Huan Dong Enterprise), a state-owned enterprise duly incorporated under the laws of the People's Republic of China ("Party A"), and Atlantic Gulf Asia Holdings N.V., a Netherlands Antilles corporation ("Party B") which, at the date hereof, is a wholly owned subsidiary of Atlantic Gulf Communities Corporation, a Delaware corporation ("Atlantic"), are prepared to enter into: (i) the Joint Venture Contract of Nanjing Ya Dong International Corporation Limited; (ii) the Agreement regarding Nanjing Ya Dong International Corporation Limited; and (iii) the Articles of Association of Nanjing Ya Dong International Corporation Limited (collectively, the "YDJV Agreements"); and

WHEREAS, Atlantic's guarantee of Party B's performance obligations under the YDJV Agreements is granted at the request of Party A as a condition of entering into the YDJV Agreements.

THEREFORE, in consideration of the substantial direct and indirect benefits to be received by Atlantic, Atlantic hereby fully and unconditionally guarantees the obligations of Party B now existing or hereafter incurred under the YDJV Agreements.

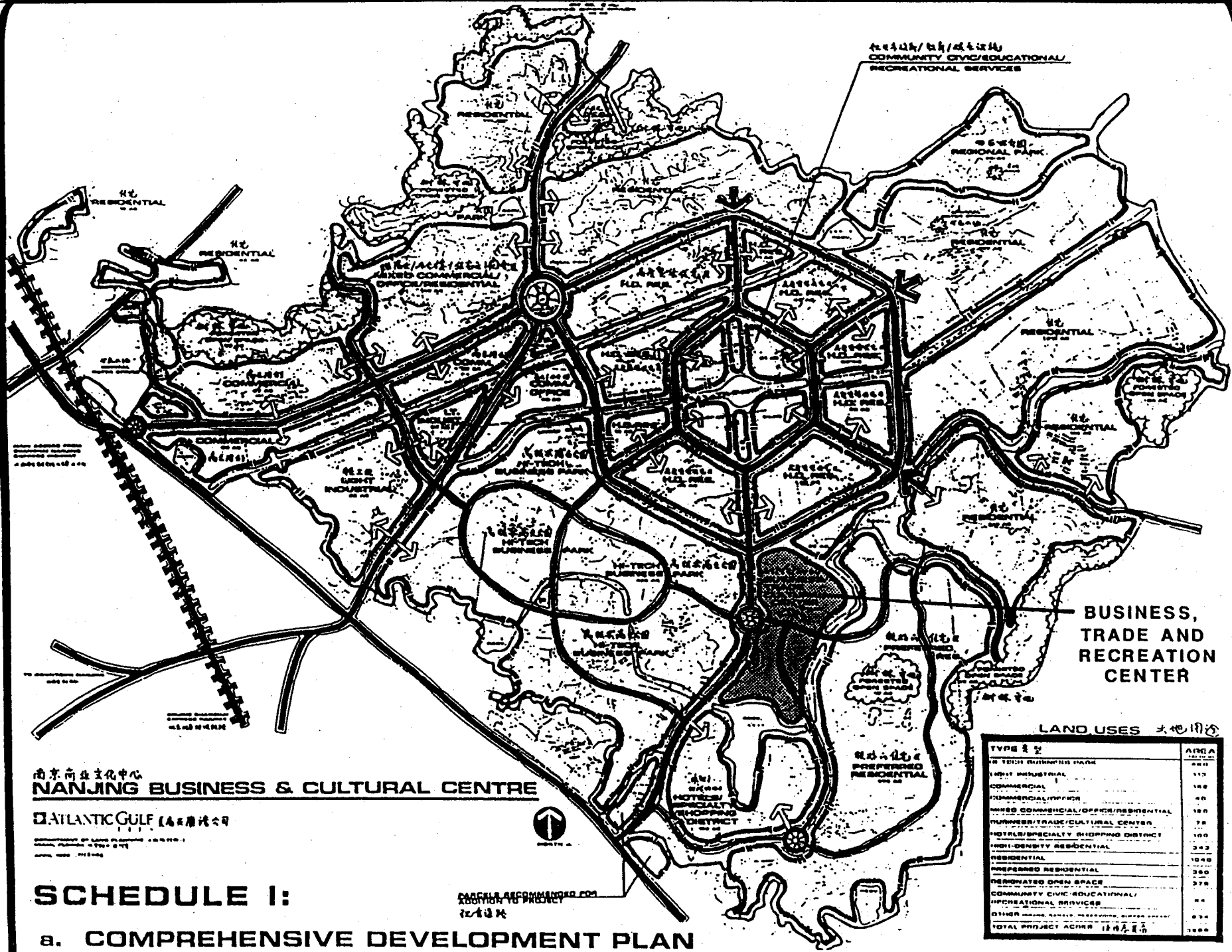
This Guarantee inures to the benefit of and is enforceable by the Nanjing Ya dong International Corporation Limited (the "YDJV"), its successors and permitted assignees, and shall not be construed in any manner to give any other person or entity any express or implied legal or equitable rights hereunder.

ATLANTIC GULF COMMUNITIES CORPORATION



J. Larry Rutherford
President and Chief Executive Officer

Dated: September 1993



南京商业文化中心

NANJING BUSINESS & CULTURAL CENTRE

ATLANTIC GULF

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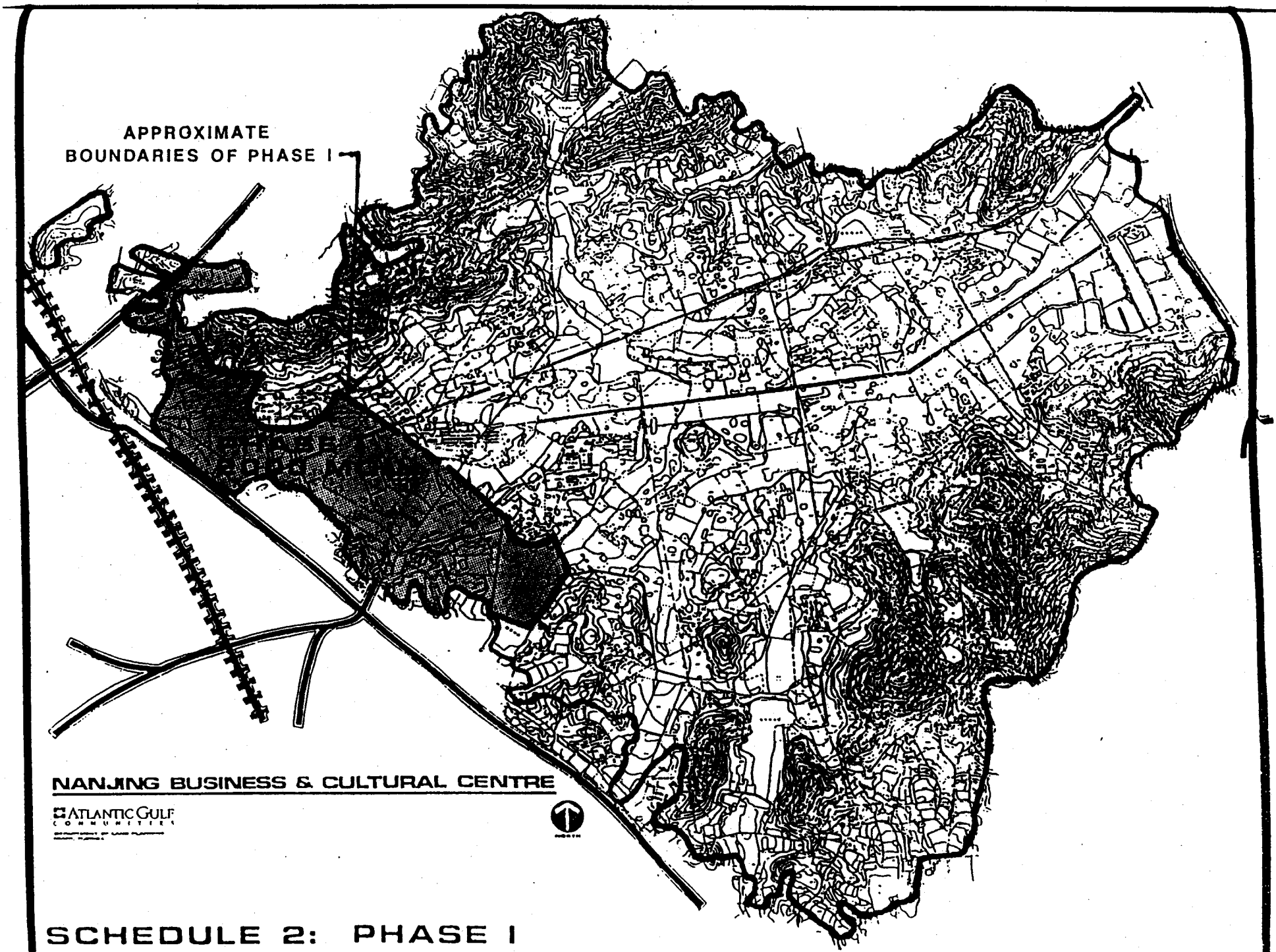
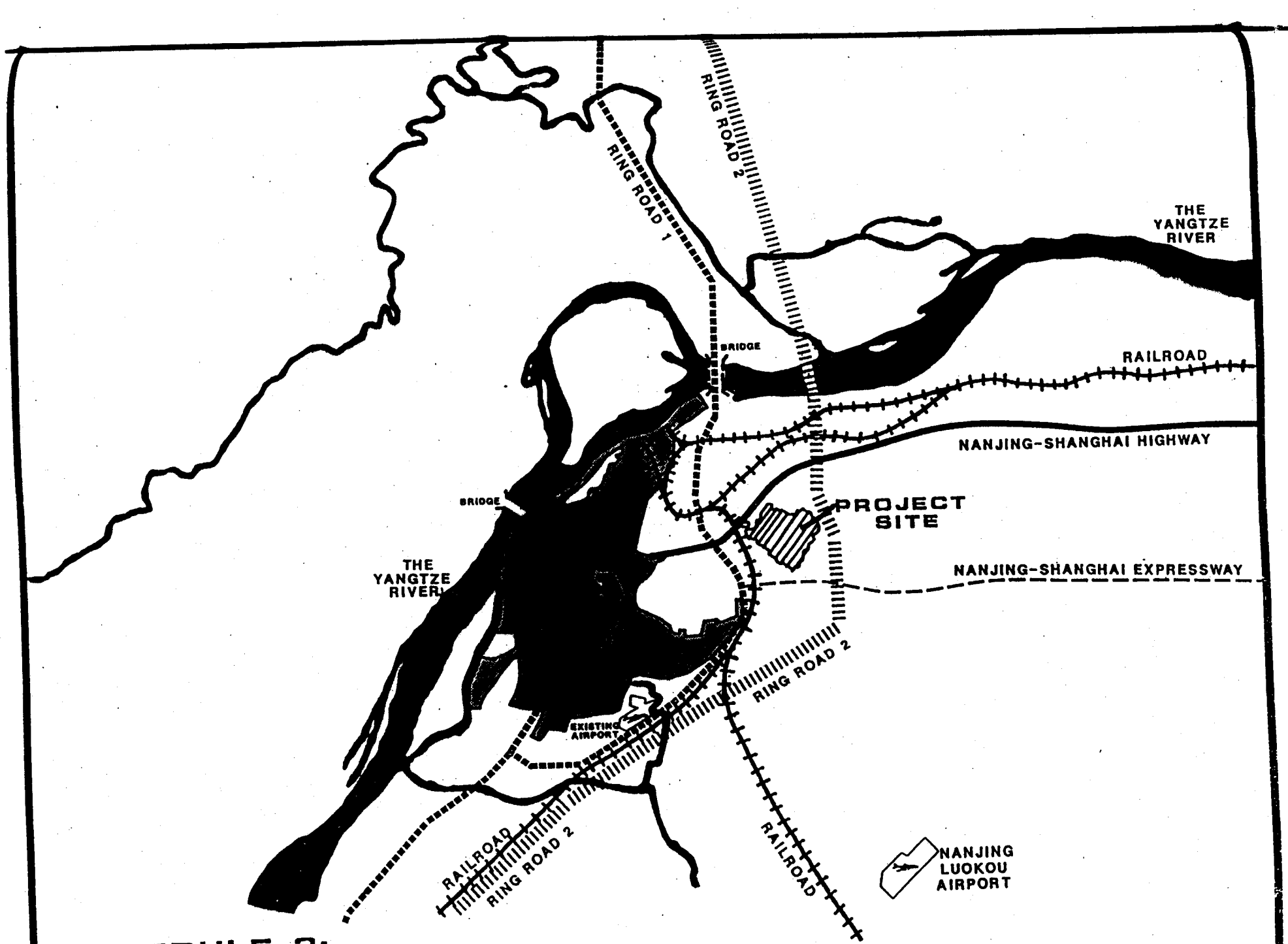
b. COMPREHENSIVE DEVELOPMENT ZONE



SCHEDULE 2: PHASE I
PRELIMINARY COMPREHENSIVE DEVELOPMENT ZONE



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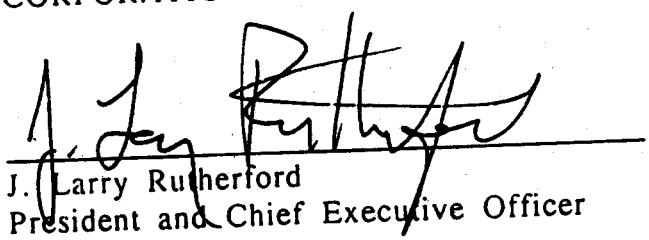
ATLANTIC GULF COMMUNITIES CORPORATION



J. Larry Rutherford
President and Chief Executive Officer

Dated: September 1993