

This agreement is concluded by and between:

1. The Island Territory of Sint Maarten, a public entity with its seat on Sint Maarten, represented by M.J. Ferrier, Commissioner, thereto legally mandated, based upon Article 74, clause 2, of the Islands Regulation of the Netherlands Antilles, by the Lt. Governor, hereinafter to be referred to as "ITSM";

and

2. Simpson Bay Lagoon Authority Corporation N.V., a limited liability company established on Sint Maarten, represented by its Managing Director Mr. R.F.Gibson, hereinafter to be referred to as "SLAC";

WHEREAS:

- a. ITSM is the owner and/or titleholder of the land under the Simpson Bay Lagoon on Sint Maarten, in as far as said Lagoon is located on the Dutch Side of the island of Sint Maarten, hereinafter to be referred to as the "Lagoon", and of the land under the Simpson Bay;
- b. ITSM is the owner and/or title holder of the John Sainsborough Lejuez Bridge, separating the waters of Simpson Bay from the waters of the Lagoon, hereinafter to be referred to as the "Bridge";
- c. an Island Ordinance dated March 10th, 2003 (Ab 2003, nr. 12) has been adopted and proclaimed, whereby the Island Ordinance Harbour Fees Sint Maarten (Ab 1984, 5) and the Island Ordinance Bridge Fees 1994 (Ab 1994, 4) have been amended.
- d. through said amendments, the Island Ordinance Harbour Fees Sint Maarten now contains a provision (article 2, clause 3), which determines that by Island Resolution, entailing general measures, one of more legal entities established under Dutch Antillean Law can be designated as the entitled parties to certain designated harbour- and other fees, which are indebted as per the last mentioned ordinance, and that it can be decided that this legal entity will, where it pertains to said fees, carry out the tasks and responsibilities which have been attributed to the harbour administrator as defined in the last mentioned ordinance, in lieu of the mentioned harbour administrator, if necessary under certain instructions, conditions and limitations.



the Bridge with the purpose of the passage of vessels for the benefit of a legal entity, designated by an Island Resolution, entailing general measures, which entity factually takes care of the management and the maintenance of the Bridge.

- f. The statutory purpose of SLAC is to:
1. Plan, stimulate, carry out, facilitate, ameliorate and in a business like fashion manage the infrastructure and facilities for recreational shipping in the territory of the Simpson Bay Lagoon;
 2. Initiate, promote, stimulate, organize and sustain the protection and betterment of the environment in the territory.
 3. Develop, in co-operation with others in the public and private sector, promotions programs aimed at the growth of economic activities as well as the protection and betterment of the environment.
 4. Carry out analyses supporting the development and the implementation of a sustainable administration of the Lagoon.
 5. Study and evaluate legislation and policies with regards to the environment and business activities within the territory.
 6. Provide advises with regards to the development activities in the Simpson Bay Lagoon.
- g. ITSM is desirous to nominate SLAC as the legal entity as mentioned under d and e of this preamble, to which end an Island Resolution, entailing general measures, will be adopted, which nomination shall be accepted by SLAC.
- h. In view of this nomination, parties wish to enter into the present agreement.

NOW, THEREFORE parties declare to agree as follows:

1. Duration; exclusivity; yearly fee

- 1.1. This agreement is entered into for a period of twenty (20) years, commencing on May 5th, 2003, and therefore ending on May 5th, 2023.
- 1.2. The nomination, tasks and responsibilities of SLAC as contemplated by this agreement are of an exclusive nature. ITSM will for the duration of this agreement

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1.3. SLAC will pay ITSM a yearly fee of ANG 18.000,--, payable in the month March. The fee for the year 2003 is set at ANG 12.000,-- and payable in the month September.

2. Management and administration

2.1. SLAC is entrusted by ITSM with the management and administration of the state and course of affairs within and pertaining to the Lagoon, in lieu of the harbour administrator, in as much as function and tasks of the harbour administrator are defined in the Island Ordinance Harbour Fees Sint Maarten and the Island Ordinance Bridge Fees 1994.

2.2. SLAC will aid and support ITSM in the development, execution and enforcement of rules and regulations pertaining to the Lagoon and will develop a policy plan for the management and administration of the Lagoon.

2.3. SLAC will, in the execution of its public tasks, at all times adhere to all reasonable or justified instructions issued by ITSM pertaining to the management and administration of the Lagoon. ITSM will strive to empower SLAC with certain rights to self determine its authorities with regard to the management and administration of the Lagoon, as far as the law permits.

2.4. SLAC will provide and maintain the necessary shipping lanes and mooring facilities in the Lagoon for navigational and environmental purposes.

2.5. SLAC provide ITSM on a monthly base with statistical data with regard to the movements of vessels coming in from the sea to the Simpson Bay or the Lagoon and vice versa, including but not limited to the nature of the vessels, their size and the number of passengers, if any.

2.6. SLAC warrants that it at all times is able to deploy sufficient manpower and materials to properly carry out its tasks and responsibilities with regard to the management and administration of the Lagoon.

3. Supervision

3.1. SLAC will closely monitor all activities developed by ships and persons staying in, passing through or moving within the Lagoon. This monitoring will be exercised from the shores as well as from the waters of the Lagoon.

3.2. SLAC will use and keep a log book to register any monitored unusual movement or activity by any ship or person in the Lagoon, which log book will at all times be accessible to ITSM.

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wastewater disposals, the spillage of oils and fuels and other disposals by any ship or person in the Simpson Bay or the Lagoon, whether from the shore or from the waters of the Simpson Bay or the Lagoon. Any such disposal will immediately be reported by SLAC to the competent authorities and registered in the log book as mentioned under 3.2.

3.4. SLAC warrants that it at all times is able to deploy sufficient manpower and materials to properly carry out her supervisory tasks and responsibilities.

4. Advisory role

4.1. In its capacity as advisory body, SLAC will advise ITSM on all matters concerning the development of the Lagoon in the broadest sense of the word. All development plans, policies, rules and regulations contemplated by ITSM pertaining to the Lagoon are subject to prior advice from SLAC, which advice will be compulsory. ITSM will always give due consideration to the advices from SLAC, and will only with due motivation deviate from these advices.

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4.2. SLAC may also advise ITSM on an uninvited basis on matters pertaining to the development of the Lagoon.

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5. Harbour fees

5.1. SLAC will levy from each vessel falling under the Island Ordinance Harbour Fees Sint Maarten, as amended, the harbour fees and other related fees as mentioned in the articles 3 through 12 of said Ordinance, in accordance with the tariffs set forth therein, or in any other applicable island regulations.

5.2. SLAC will on a regular base deposit all levied and collected harbour fees as mentioned under article 5.1. on a separate bank account.

5.3. SLAC will on a quarterly base provide the Finance Department of ITSM with a full financial account in writing, and supported by documents of the amount and type of vessels that were, over the preceding period of three months, subject to the levying of harbour- and other related fees, of the collected and deposited harbour- and other related fees and of the withdrawals from the bank account mentioned under article 5.2.

5.4. Failure or refusal by any vessel to pay the harbour- and other related fees indebted by that vessel, will immediately be reported by SLAC to the appropriate authorities.

6. Bridge fees

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accordance with the tariffs applicable to the type of vessel and to the type of opening of the Bridge (inside or outside regular opening times) as per said Ordinance.

- 6.2. SLAC will on a regular base deposit all levied and collected Bridge fees as mentioned under article 6.1. on a separate bank account.
- 6.3. SLAC will on a quarterly base provide the Finance Department of ITSM with a full financial account in writing, and supported by documents of the amount and types of vessels that were, over the preceding period of three months, subject to the levying of Bridge fees, of collected and deposited Bridge fees and of the withdrawals from the bank account mentioned under article 6.2.
- 6.4. Failure or refusal by any vessel to pay the Bridge fees indebted by that vessel will immediately be reported by SLAC to the appropriate authorities.

7. Opening and maintenance Bridge

7.1. Opening

SLAC undertakes the responsibility to open and close the Bridge for the passage of vessels during regular opening times. The establishment of the regular opening times will at all times remain the prerogative of ITSM. Any contemplated change in the existing opening times will however be subject to prior advice from SLAC.

- 7.2. SLAC will likewise undertake the responsibility to open and close the Bridge upon prior request outside regular opening times. SLAC will not open the Bridge outside regular times without a prior request and before payment has been received from the requesting vessel(s).

- 7.3. SLAC will operate Bridge openings in a smooth and safe manner.

- 7.4. SLAC is responsible for the proper notice to public of regular opening times and any changes thereof.

7.5. Maintenance

SLAC undertakes full responsibility for the proper functioning and maintenance of the Bridge. To that end, SLAC may enter into a service agreement with a capable company, the contents of which contract shall have to be approved by ITSM. SLAC shall not modify or terminate said contract without prior written approval by ITSM.

- 7.6. Any improper functioning of, or damage to the Bridge, will immediately be reported by SLAC to the appropriate authorities.



- 8.1. SLAC is granted the right to have and to hold the harbour- and other related fees and Bridge fees collected by SLAC as per the articles 5 and 6 of this agreement, for the purpose of the coverage of its operational expenses and its obligations towards its financiers, under the following stipulations and conditions.
- 8.2. SLAC will draft a budget for the first year of its operation under this agreement, covering an estimation of its operational expenses, an estimation of its obligations towards its financiers and an estimation of its revenues. This budget will be prepared within ninety (90) days as from the date of signing of this agreement and will be submitted to ITSM for review.
- 8.3. Throughout the remainder of the duration of this agreement, SLAC will draft yearly budgets, to which article 8.2. of this agreement is declared co-applicable.
- 8.4. SLAC will provide ITSM with copies of its annual financial statements upon their completion and approval by the shareholder.
- 8.5. SLAC must be and remain in compliance with the articles 6.2., 6.3, 7.2 and 7.3 of this agreement.

9. Termination

- 9.1. ITSM reserves the right to terminate this agreement before the time specified in article 1.1. by giving notice of termination to SLAC. This right is governed by the following stipulations.
- 9.2. Urgent reasons for termination set aside, ITSM must adhere to a notice period according to the following schedule:

<u>Duration agreement</u>	<u>notice period</u>
up to 2 years	3 months
between 2 and 4 years	6 months
between 4 and 10 years	9 months
more than 10 years	12 months

- 9.3. In case of urgent reasons, such as grave and material breach of this agreement by SLAC, ITSM may terminate this agreement with immediate effect. Such termination must however be preceded by a notice of default, containing a reasonable time limit for compliance.

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10. Final provisions

10.1. Hold harmless

SLAC holds ITSM harmless for any and all claims that might arise as a result of the execution of this agreement.

10.2. Invalidity

In the event that one or more provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable, such an invalidity, illegality, or unenforceability shall not effect any other provision of this agreement.

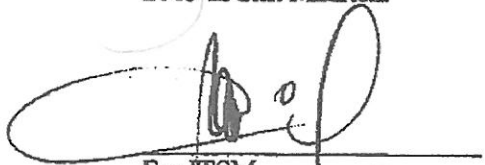
10.2. Entirety of agreement; amendments

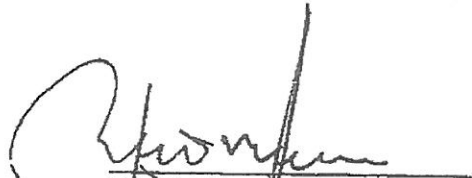
This agreement contains and represents the complete understandings and agreements between parties, and may only be altered or amended by a written instrument duly signed by both parties.

10.3. Governing law and jurisdiction

This agreement is governed by the laws of the Netherlands Antilles and will inure to the benefit of and be binding upon the parties hereto and their assigns. The Court of First Instance on Sint Maarten will have jurisdiction over any dispute regarding or arising from this agreement.

IN WITNESS WHEREOF parties have signed and executed this agreement on May .., 2003 in Sint Maarten.


For ITSM
Michael J. Ferrer
Commissioner


For SLAC

Second of two copies.