

THE MORGAN

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Minister of Public Housing, Physical Planning, Environment and Infrastructure

Attn. Mr. E.J. Doran
Soualuiga Road #1
Pond Island, Great Bay
Sint Maarten

St. Maarten, June 22, 2020

Honorable minister Egbert J. Doran,

On behalf of Alegria Real Estate N.V. and its related persons ("Alegria"), I write to you as follows. Since your inauguration, it has been reported in the media that questions have (again) been raised in relation to the Morgan Resort which is being developed by Alegria. It seems that certain members of parliament are asking questions in relation to a parcel of land, situated at the bottom of the Burgeaux Bay of ca. 13.525 m2, to be granted to Alegria in long lease (the "water parcel"). I am happy to provide you with the factual history and so enable you to answer these questions.

In September 2014, Alegria acquired the properties then known as the Caravanserai Resort at public auction for a very substantial purchase price. The Caravanserai Resort was in dilapidated state and surrounded by claims and other problems created by its then owner, Kildare Properties Ltd., of which Mr. Manek was the principal.

Alegria invested substantial additional funds in the properties and reopened under the name Alegria Resort. To facilitate further investments in the properties, Alegria on February 19, 2016, first applied to obtain certain water rights adjacent to the properties. This was not formalized. In October 2017 Hurricane Irma caused substantial damages to the properties. This resulted in the need for further investments and adaptation of the master plan, including the rebranding of the properties to the Morgan Resort.

On February 23, 2018, Alegria requested that the water parcel be issued to it in long lease. The master plan was shared with the then minister of VROMI, Mr. Miklos M.C. Giterson, and by letter of May 31, 2018 (copy attached), he informed in principle to have no objections against the issuance of the water parcel to Alegria. The issuance was however not formalized.

Many meetings with VROMI followed, amongst which a meeting of March 20, 2019 of which minutes were made (copy attached). Notable from those minutes is that Mr. Raeyhon Peterson (now a member of parliament asking you questions) was instrumental in the discussions, including agreeing to the pricing of the long lease for the water rights. In fact, all matters related to the issuance of the water parcel were prepared by him and he promised on many occasions to get the matter resolved. He never did.

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The lack of follow up by VROMI forced Alegria to on March 16, 2020 file an injunction case in order to get the water parcel issued to it. This resulted in the government lawyer reaching out to the lawyer of Alegria to discuss settlement.

Settlement was reached on May 4, 2020 and laid down in a settlement agreement in which Country Sint Maarten agreed to have the decree in attached form (only C/A number to be included) signed and issued to Alegria within four weeks from issuance of the C/A for the water parcel. The C/A was paid for on May 18, 2020 and issued to Alegria on May 29, 2020 under number 040/2020 (copy attached). The deadline for issuance of the decree to Alegria is therefore June 26, 2020.

I express my sincere gratitude for your finalization of this matter, so that we can put this ordeal behind us and focus on what is truly important: the further development of the Morgan Resort with large investments by Alegria in the economy, offering employment and other benefits to the people of Sint Maarten.

If you have further questions or can otherwise be of assistance, please call on me.

Sincerely,

Ray Sidhom