

DEVELOPMENT AGREEMENT

BETWEEN

THE CROWN

AND

THE GOVERNMENT OF THE TURKS AND CAICOS ISLANDS

AND

DELLIS CAY DEVELOPMENT COMPANY LTD.

in relation to a

PROPOSED RESORT DEVELOPMENT

AT DELLIS CAYS

Dated the 4th day of July, 1997

MESSRS. DEMPSEY & COMPANY

CARIBBEAN PLACE

LEEWARD HIGHWAY

PROVIDENCIALES

TURKS AND CAICOS ISLANDS

BRITISH WEST INDIES

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-DEVELOPMENT AGREEMENT-

THIS AGREEMENT is made the 1st day of July, 1997 **BETWEEN DELLIS CAY DEVELOPMENT COMPANY LTD.** a company incorporated pursuant to the Laws of the Turks and Caicos Islands and having its registered office c/o Dempsey & Company, P.O. Box 97, Caribbean Place, Leeward Highway, Providenciales (hereinafter called "the Developer") of the **ONE PART** and **JOHN KELLY**, Governor of the Turks and Caicos Islands acting in the name of and on behalf of the Her Majesty Queen Elizabeth II of the United Kingdom of Great Britain and Northern Ireland and of the Turks & Caicos Islands and of Her other realms and territories Queen (hereinafter called "the Crown") of the **SECOND PART** and the said **JOHN KELLY**, Governor of the Turks & Caicos Islands on behalf of the Government of the said Islands (hereinafter called "the Government") of the **THIRD PART**

RECITALS

WHEREAS

- A. The Developer is the Registered Proprietor of all the property comprised in blocks 61212, 61213 and 61214 in the East Cays Registration Section of the Island of Providenciales, on which it proposes to undertake the Development.
- B. The Developer is willing to undertake the Development subject to the conditions herein contained.
- C. The Government and the Crown are satisfied that the undertaking by the Developer of the Development is, for the purposes of Section 4 of the Encouragement of Development Ordinance 1972 (as amended):
 - (a) a new enterprise; and
 - (b) that it will have a beneficial effect on employment and on the economy of the Islands; and
 - (c) that it will be proper in accordance with the provisions of this Agreement and pursuant to Section 4 of the Ordinance to declare the Development to be a "Development Enterprise" and that the Developer ought to be declared to be a "developer" for the purposes of the said enterprise.

NOW IT IS HEREBY AGREED as follows:

1. INTRODUCTORY

Definitions 1.1 In this Agreement and unless the context otherwise requires:

"Approved Plans" means the plans, drawing, specifications, construction methods, techniques and materials to be used for the construction of the Development together with such sewage and other facilities as are required for the operation of the Development as approved by the Physical Planning Board.

“Detailed Development Permission” has the meaning assigned to it under the Planning laws.

“Development” means the development of the Property as set out in Schedule I hereto.

“Force Majeure” means any event or circumstance whether arising from natural cause, human agency or otherwise beyond the reasonable control of any party including but without prejudice to the generality of the foregoing acts of God, riots, lock outs, strikes, civil commotion, unavailability of shipping services, war, warlike operations and natural disasters.

“Immigration Ordinance” means the Immigration Ordinance 1992, regulations made thereunder and any statute amending replacing or reenacting the same.

“Islands” means the Turks and Caicos Islands

“Ordinance” means the Encouragement of Development Ordinance 1972, regulations made thereunder and any statute amending, replacing or reenacting the same.

“Parties” means the Crown, the Government, and the Developer.

“Phase One, “Phase Two, and “Phase Three” in relation to the Development means, respectively that part of the Development listed under the heading Phase One, Phase Two, and Phase Three in Schedule I.

“Physical Planning Board” means the Physical Planning Board established under the Physical Planning Ordinance 1989 and any statutory body replacing the same.

“Property” means the Property comprised in blocks 61212, 61213 and 61214 East Cays, Providenciales.

Governing Laws	1.2	The Laws of the Turks and Caicos Islands shall be governing law of this Agreement
Assignment	1.3	The Developer shall not without the express written consent of the Government (which consent shall not unreasonably be withheld) assign the benefit of this Agreement AND it is agreed that the Government shall have an absolute discretion as to whether or not to grant its consent unless it is first satisfied that the proposed assignee is of sufficient financial worth to be clearly capable of performing the obligations of the Developer hereunder. Further, it is hereby expressly agreed that the Government may as a condition of any such consent require any assignee to enter into direct covenants with the Government to perform fulfill and observe the obligations of the Developer under this Agreement or such of them as shall at the date of such assignment remain to be performed or fulfilled or are of perpetual effect. The foregoing notwithstanding, it is agreed and acknowledged that parts of the Development may be undertaken by the Developer on portions of the Property transferred to subsidiary companies in which the Developer owns either a majority of the shares or has effective control.

Entire Contract	1.4	This Agreement and the Schedules constitute the entire agreement of the Parties as to the subject matter hereof as at the date of this Agreement.
	1.5	The Schedules form part of this Agreement.
Severability	1.6	In the event that one or more of the provisions contained herein shall be held for any reason to be illegal, invalid or unenforceable, such holding shall not affect any other provision hereof, and this Agreement shall be construed and interpreted as if the provision(s) so held had not been contained herein.
Waiver	1.7	Any waiver by any Party of a breach of any provision of this Agreement by another Party shall not operate as or be construed as a waiver of any breach of any other provision in this Agreement. The failure of a Party to insist upon strict adherence to any term of this Agreement on one or more occasions shall not be considered to be a waiver of any rights under this Agreement or to deprive that Party of the right to insist upon strict adherence to that term or any other term hereof. Any waiver of any right hereunder shall be of no effect unless it is in writing authenticated by the waiving Party.
Modification	1.8	This Agreement shall be modified only by an instrument in writing executed by all Parties hereto.
Paragraph Headings	1.9	The clause and paragraph headings in this Agreement are inserted for the convenience of reference only; they form no part of this Agreement, and shall not be taken into account in construing the intent or understanding evidenced hereby.
Crown/ Government	1.10	For the purposes of this agreement, obligations of the Government hereunder shall be deemed also to be obligations of and to be binding upon the Crown, where the obligation concerned falls wholly or partly within the legal domain or powers of the Crown to be performed.
Interpretation	1.11	Unless the context otherwise requires: <ul style="list-style-type: none"> (a) References any reference to a Clause is a Clause of this Agreement, and any reference to a Paragraph is to a Paragraph of the Clause in which such reference appears; (b) Numbers words denoting the singular gender shall include the plural and vice versa; (c) Gender words denoting the masculine gender number shall include persons feminine and corporate; (d) Variation references to this Agreement or to any other agreement shall include all agreements supplemental hereto or thereto varying, modifying, altering or in any way affecting any of the terms hereof or thereof; and

- (e) Interpretation Ordinance
any terms not herein defined shall bear the meanings ascribed to them by the Interpretation Ordinance

2. OBLIGATIONS OF THE DEVELOPER

Application for Detailed Development Permission and Completion of Construction

- 2.1 The Developer shall:
- (a) Prior to the Grant of a building permit for Phase One, satisfy the Department of Planning that all environmental concerns raised by the Development either have or will in the future be adequately addressed;
 - (b) Within Two Hundred and Seventy (270) days from the date hereof commence construction of Phase One (the Date of Commencement of Construction being hereinafter termed "the Construction Date");
 - (c) Within three (3) years of the Construction Date substantially complete Phase One;
 - (d) Within three (3) years of the Construction Date, submit an application for Detailed Development Permission for Phase Two;
 - (e) Within seven (7) years of the Construction Date, substantially complete Phase Two;
 - (f) Within seven (7) years of the Construction Date, submit application for Detailed Development Permission for Phase Three ;
 - (g) Within ten (10) years of the Construction Date substantially complete Phase Three;
 - (h) Within ten (10) years of the Construction Date submit application for Detailed Development Permission for Phase Four;
 - (i) Within fifteen (15) years of the Construction Date substantially complete Phase Four.

- 2.2 The respective estimated costs of Phases One, Two, and Three are as follows:

Phase One - \$ 15,000,000.00
Phase Two - \$ 18,000,000.00
Phase Three - \$ 18,000,000.00

Belonger Preference

- 2.3 The Developer agrees, subject to the provisions of paragraph 3.1 below in relation to the construction and operation of the Development to give preference in employment to those persons who belong to the Islands within the meaning of the Immigration Ordinance 1992 ("Belongers") insofar as there are from time to time Belongers ready, willing and able to fill any position within the Islands for which the Developer wishes to recruit. For

the avoidance of doubt, a person shall not be deemed “ready, willing and able” to fill a position with the Developer unless he or she is willing to work at a rate no greater than the rate of remuneration prevailing for a similar position on Providenciales plus such additional sum or benefits as may reasonably be expected to be offered to such persons to cover the additional cost, if any, of working on Dellis Cay as opposed to Providenciales. The Developer shall enter into corresponding covenants with (if any) its contractors, sub contractors and agents.

Statutes and Regulations

2.4 The Developer shall at all time comply and all respects with the provisions of all statutes and regulations applicable to the construction and operation of the Development including without prejudice to the generality hereof obtaining all necessary licences permissions certificates and approvals and the payment of all applicable fees and charges.

3. OBLIGATIONS OF THE GOVERNMENT/THE CROWN

Expatriate Staff

3.1 Subject to compliance with the Immigration Ordinance and to compliance by the Developer with Clauses 2.3 and 9 hereof, the Government shall to the extent it is able in law facilitate the entry into the Islands and employment of such expatriate personnel as may reasonably be required for the construction and operation of the Development in respect of both full- time and seasonal posts to a limit (with respect to full-time employees) of 30% of the Developer’s total number of full-time employees provided always nothing herein contained shall be construed so as to preclude the granting of work permits to the Developer in respect of expatriate staff over and above 30% of its total full-time employees in the event that its staff requirements cannot adequately and reasonably be met from the Belonger population as contemplated by clause 2.3 hereof.

Water Supply

3.2 Subject to the Developer complying with all relevant legislation and in particular the Water and Sewage Ordinance 1994, the Government shall, to the extent it is able in law, permit and license the Developer to provide its own supply of potable water to the Development including the sinking of wells and the operation of reverse osmosis distillation plants, subject always to the requirement to obtain and comply with planning permission from the Physical Planning Board.

Garbage and Sewerage Disposal

3.3 The Government shall to the extent that it is able in law, authorise and if necessary license the Developer to provide its own method and system of garbage and sewerage disposal subject always to the requirements of the Physical Planning Ordinance.

Permanent Residence Certificates

3.4 The Government hereby approves the Development as an approved enterprise for the purposes of the Immigration Ordinance and undertakes subject to compliance with the requirements of the said Ordinance in that respect and to proof of the investment in the Development of at least \$250,000.00 by or on behalf of each of them to grant

promptly Permanent Residence Certificates endorsed with the right to work for Donatella Zingone Dini, Cesare Zingone and Zingonia Zingone.

- 3.5 Subject to their compliance with the Immigration Ordinance and with Government's then prevailing requirements with respect to health and good character and to their paying the then prevailing application and permit fee, the Government undertakes to grant a permanent residence certificate to each purchaser of a house or condominium in the Development costing not less than \$250,000.00.
- Exchange Control Freedom** 3.6 The Government undertakes, subject to any obligation imposed on it by treaty, or any order of the Supreme Court, that all assets of the Developer held within the Islands shall at all times be permitted to be moved freely within or out of the Islands without the requirement for any prior consent on the part of the Government or any of its officers.
- Development Order** 3.7 The Government shall within twenty eight days from the date of execution hereof declare the Developer to be a "developer" and the Development to be a "development enterprise" within the meaning of the Ordinance and shall grant to the Developer a Development Order ("the Development Order") in accordance with the Ordinance, in the terms of that annexed as Schedule II. The Government shall extend the period of declared benefits under the Development Order for a further period of five years from the expiration of the original period upon the written application of the Developer for such an extension of five years provided that first the Developer:
- (i) Has completed Phase 1 of the Development;
 - (ii) Is not in material breach of any of its obligations hereunder;
 - (iii) Has commenced construction of Phase 2
- Cargo and Dock Dues** 3.8 (a) Subject to complying with all relevant legislation, the Government agrees that the Developer may unload its construction materials, plant and machinery and all capital items required for the Development directly on Dellis Cay without the said goods crossing the dock or otherwise being unloaded at Providenciales or at any other designated port of entry provided always that the Developer shall comply with the documentary requirements of the Customs Department with regard to Customs clearance at Customs' main office at Providenciales or at another designated port of entry and with the requirements of the Customs Department with regard to Customs clearance on site and shall meet the reasonable expenses of the Customs Department in providing a Customs Officer on site to effect physical entry of the goods for customs purposes.
- (b) The Government shall issue or cause the issuance to the Developer of dock licences with respect to a dock to be designated by the Developer at Dellis

Cay and a dock to be constructed by it at the property the subject of the Lease, within twenty eight (28) days of the completion of each of the said docks, pursuant to section 17 of the Docks Ordinance 1984.

- (c) Within 28 days of the date hereof, the Government shall gazette a notice under proviso (i) to Section 4 of the Docks (Dues and Other Charges) Regulations 1984 exempting the Developer from paying one third of the cargo dues on all construction materials, plants, machinery and capital items imported by it for use in the Development, for a period of five years .

4 **COMPENSATION FOR EXPROPRIATION**

The Government agrees not to acquire compulsorily, nationalise or expropriate the Development or any part thereof or assets incidental thereto. Without limiting the foregoing and without in any way restricting the remedies available to enjoin or recover damages for any breach of the foregoing covenant, the Government agrees that, in the event of such compulsory acquisition, nationalisation or expropriation, the Developer shall be entitled to compensation in respect of the relevant assets, the amount thereof to be determined by agreement between the Parties, without regard to the fact that the assets have been compulsorily acquired, or in default thereof to be assessed in accordance with Clause 6.

5. **FURTHER SUPPORT BY GOVERNMENT**

Further Instruments

5.1 (a) To the extent that it is able in law the Government agrees, subject to the law in force for the time being, and subject to the Developer complying in full with the provisions of all applicable Ordinances and subsidiary legislation to grant or cause to be granted all such further licences, approvals, permits, or authorisations as may be necessary or required for the Development to be constructed and operated as herein contemplated.

5.1 (b) Without limit to the generality of the foregoing the Government agrees subject to the directions of the Physical Planning Board and the Department of Environment and Coastal Resources that permitted facilities of the Development shall include hotel, condominium and single family residential accommodation, restaurants, bars, retail outlets, marinas, docks, administrative and management facilities and a full range of sports facilities (including scuba diving, sailing and sport fishing).

Undertakings not to frustrate

5.2(a) Licences and Approvals

The Government will not object to or oppose, or cause the refusal or any delay in the granting of, any licence, approval, permit or authorisation necessary or required, whether by virtue of any existing or future legislation or administrative ruling, for the development to be operated as herein contemplated, subject to the Developer complying in full with the provisions of all applicable Ordinances and subsidiary legislation.

5.2 (b) Inimical Actions

Subject to its legal obligations and to the legal principles governing the exercise by Government of its statutory powers and discretions, the Government will not take or cause any action or do anything nor, insofar as it is within the power of the Government to prevent, allow any persons so to do, which has the effect of preventing the operation of the Development as herein contemplated.

Further Assistance 5.3 The Government agrees to consider in good faith on their merits any requests or representations of the Developer made from time to time for further or other relief, assistance, or co-operation with it.

6. ARBITRATION

It is agreed that in the event of any dispute or difference arising out of this Agreement or any document furnished in connection therewith or any breach of any terms of this Agreement, such dispute shall be referred to a tribunal of three arbitrators, one to be appointed by the Government, one to be appointed by the Developer, and the third by the other two arbitrators previously appointed. The proceedings shall be conducted under and in accordance with the Arbitration Ordinance 1974.

7. TERMINATION

7.1 If the Developer is in default of its obligations under Paragraphs 2.1 and 2.2 hereof the Crown and the Government shall give written notice of the default to the Developer calling upon it to remedy the same within ninety days from receipt of the said notice. In the event of the failure of the Developer to remedy its default within that period this agreement may be terminated by the Crown and the Government upon their giving forty five days written notice to the Developer to that effect.

7.2 No entitlement to serve a notice under this clause shall arise in the event that the Crown or the Government has caused or substantially contributed to the default complained of whether by means of a delay on the part of the Physical Planning Board or any other arm or organ of the Government or of the Crown, or otherwise.

7.3 If the Developer is in breach of any other obligations, covenants, agreements, stipulations or conditions herein contained and has failed to take any steps to remedy the breach of such obligations, covenants agreements, stipulations or conditions within sixty days of receipt of written notice to that effect from the Government or the Crown as the case may be, this agreement may be terminated by the Crown or the Government upon their giving forty five days written notice to the Developer to that effect.

7.4 In the event of termination of this Agreement pursuant to paragraphs 7.1 or 7.3, the Developer shall be liable to pay to the Crown or the Government upon demand all sums which would have been payable to the Crown or the Government by the Developer but for the concessions granted to the Developer by virtue of paragraphs 3.7 and 3.8 **PROVIDED ALWAYS** that no such payment shall be due in respect of any Phase which has been

substantially completed prior to the date of such termination and further **PROVIDED** that no such termination shall affect any continuing concession granted under paragraph 9(a) of the Development Order with respect to any such substantially completed earlier Phase. For the purposes of this paragraph, substantially completed means that at least 80% of the anticipated cost of the Phase concerned has been expended.

8 TRAINING

8.1 The Developer shall employ Belongers in its Development in positions of increasing responsibility and shall provide training to those Belongers in accordance with their position and ability. If such training cannot be provided locally, the Developer shall train Belongers at a suitable training institution overseas.

8.2 The Developer shall contribute on annual basis toward a fund to be administered by the Government for the education and training of Belongers, commencing on the first anniversary hereof, in the following amounts:

On the first, second, third, and fourth anniversaries hereof -
\$20,000.00

On the fifth, sixth, seventh, and eighth anniversaries hereof -
\$25,000.00

On the ninth, tenth, eleventh, and twelfth anniversaries hereof, -
\$30,000.00

On the thirteenth, fourteenth, fifteenth and sixteenth anniversaries hereof - \$35,000.00

8.3 The Developer shall be entitled to assign its obligations under this clause to the purchasers of hotels or to condominium strata corporations (with respect to sold units only) in the Development provided always that failure by an assignee to pay a scholarship contribution as contemplated by paragraph 8.2 shall be an event of default on the part of the Developer under paragraph 7.3.

8.4 The Developer warrants that within one year of the date of completion of Phase Three of the Development, no more than 20% of its management personnel in the Islands shall be non-Belongers.

9. FORCE MAJEURE

9.1 If any of the Parties is affected by Force Majeure, that Party shall forthwith notify the other Parties of the nature and extent thereof.

9.2 No Party shall be deemed to be in breach of this Agreement or otherwise be liable to the other parties by reason of any delay in performance, or non-performance, of any of its obligations hereunder to the extent that such delay or non-performance is due to any Force Majeure of which it has notified the other parties; and the time for performance of that obligation shall be extended for such reasonable time as the circumstances of the case may require.

9.3 If the Force Majeure in question prevails for a continuous period in excess of one month the Parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

10. **NOTICES**

Any notice or other communication or proceedings required or permitted to be given hereunder shall be deemed duly given and served if sent by registered mail or by telefacsimile, or delivered by hand against receipt, addressed as follows:

If to the Crown:

The Attorney General
The Attorney General's Chambers
South Base
Grand Turk
Turks and Caicos Islands
British West Indies
Telefacsimile (809) 946-2588

If to the Government:

The Attorney General
The Attorney General's Chambers
South Base
Grand Turk
Turks and Caicos Islands
British West Indies
Telefacsimile (809) 946-2588

If to the Developer:

C/o Messrs. Dempsey & Company
Attorneys -at-Law
P.O. Box 97
Caribbean Place
Leeward Highway
Providenciales
Turks and Caicos Islands
British West Indies
Telefacsimile (809) 946-4564

or in any case at such other place as the relevant party may, giving reasonable notice, direct in writing. Any notice sent by registered mail shall be deemed to have been received seven days after posting unless previously received and provided always that it was mailed in the Islands, and any notice by telefacsimile shall be deemed to have been received the day after apparently successful transmission.

IN WITNESS WHEREOF, the Parties have caused the execution of these presents by their duly authorised representatives, the day and year first above written.

Executed for and on behalf of
**THE CROWN BY
JOHN KELLY, GOVERNOR,
TURKS & CAICOS ISLANDS**



**JOHN KELLY MBO LVO
GOVERNOR**


in the presence of:



WITNESS



Executed for and on behalf of
**THE GOVERNMENT BY
JOHN KELLY, GOVERNOR,
TURKS & CAICOS ISLANDS**



**JOHN KELLY MBO LVO
GOVERNOR**

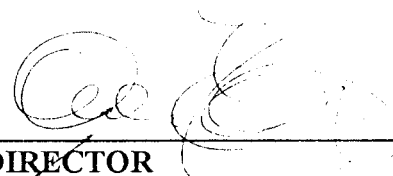
in the presence of:



WITNESS



PRESENT when the common seal of
**DELLIS CAY DEVELOPMENT
COMPANY LTD** was affixed hereto



DIRECTOR
LORDERSEN

DIRECTOR

in the presence of:



WITNESS



**SCHEDULE I
(DESCRIPTION OF DEVELOPMENT)**

PHASE ONE

- (a) Subdivision of the Property to create residential and commercial building sites and access ways.
- (b) Construction on the Property of an hotel/club house containing up to 180 bedrooms; up to 12 beachfront villas; commercial space and administrative offices (including an office with adjacent sleeping facilities for use (inter alia) by a Government official such as a customs or police officer); and roads and access ways, sewerage treatment plant, potable water facilities, nature trails, sports and recreation facilities, marina, docks and harbour works, staff accommodation, workshops, and administrative facilities.

PHASE TWO

- (a) The construction on the Property of a condominium building or buildings consisting of up to eighty self contained condominiums to be operated with hotel-type facilities and staff; up to forty private villas; and administrative offices and such additional roads and access ways, sewerage treatment plants, potable water facilities, nature trails, sports and recreation facilities, staff accommodation, workshops and administrative facilities as the Developer deems necessary; and possible expansion of the marina and docks.

PHASE THREE

- (a) The construction on the Property of up to ten additional villas; a condominium building or buildings consisting of up to 125 condominiums to be operated with hotel-type facilities and staff; and such additional facilities, roads, access ways, sewerage treatment plants, potable water facilities, nature trails, sports and recreation facilities, staff accommodation and workshops as the Developer deems necessary.

SCHEDULE II

LEGAL NOTICE OF 1997

Made:
Commencement:
Published in Gazette:

74/2

DELLIS CAY DEVELOPMENT COMPANY LTD.

MADE by the Governor under section 4 of the Encouragement of Development Ordinance 1972.

Citation

1. This Order may be cited as the Dellis Cay Development Company Ltd. Order of 1996.

Interpretation

2. In this Order:
 - (a) "Development" shall have the same meaning as in the Development Agreement.
 - (b) "The Development Agreement" means the Agreement dated the day of 1996 and made between Dellis Cay Development Company Ltd. and the Crown and the Government of the Turks and Caicos Islands.

Development Enterprise

3. The Development is declared to be an approved development enterprise.

Developer

4. Dellis Cay Development Company Ltd., a company incorporated under the laws of the Turks and Caicos Islands, and having its registered office c/o Dempsey & Company P.O. Box 97, Providenciales, Turks and Caicos Islands, is declared to be the Developer.

Premises of Development Enterprise

5. The Development shall be constructed, managed and otherwise operated at the property comprised in blocks 61212, 61213 and 61214 East Cays, Providenciales.

Commencement of Development Enterprise

6. The construction by the developer of the Development shall commence on or before the day of 1997.

Completion of Development Enterprise

7. The date on or before which it is anticipated that the Development shall be completed is the day of 2011.

Other Conditions

8. The construction and operation of the Development shall be carried out in accordance with the terms and conditions of the Development Agreement. All benefits and covenants expressed therein shall form part of this Order.

Declared Benefits

9. Subject to the provisions of the Encouragement of Development Ordinance 1972 the Developer shall be entitled:

- (a) for a period of fifteen (15) years from the date of this Order, to exemption from:
 - (i) any taxes on profits, gains or turn-over attributable to the Development;
 - (ii) any real property tax, capital levy or other tax on capital invested in the Development;
- (b) provided that at least seven (7) days prior to the importation of any article into the Turks & Caicos Islands pursuant to this Order, the Developer shall furnish the Collector of Customs with a list which shall be agreed with the Collector of Customs describing the articles that are to be imported including their categories and their quantities, for a period of five (5) years from the date of this Order, or until the Development is completed, whichever is the earlier, to an exemption from customs import duties on:-

Materials:

- (i) all building materials which the Collector of Customs is satisfied are imported for and to be used solely in the initial construction and fitting out of the Development;

Equipment:

- (ii) all plant, machinery, equipment and tools which the Collector of Customs is satisfied are imported for and are to be used solely in the initial construction *and fitting out* of the Development.

Furniture, Fixtures and fittings:

- (iii) all furniture, fixtures and fittings which the Collector of Customs is satisfied are imported for and to be used solely in the initial fitting out or refurbishment of the Development;

AND PROVIDED ALWAYS that duties on articles imported may become payable as provided by Section 9 (1) of the Encouragement of Development Ordinance in the event of their being disposed of in any manner within five (5) years from the date of importation.

Cargo Dues

10. For a period of five (5) years from the date hereof cargo dues payable in respect of the goods described in paragraph 9(b)(i), (ii), and (iii) above imported for the purpose of construction of the Development by the Developer under Regulation 4 of the Docks (Dues and other Charges) Regulations 1994 shall be payable at a rate of either Six Dollars (\$6.00) per ton or one third of the prescribed rate for the time being, whichever is the higher.

Made this day of July, 1997

**JOHN KELLY MBO LVO
GOVERNOR**