

AGREEMENT

by and between:

**THE ISLAND TERRITORY OF ST. EUSTATIUS
(NETHERLANDS ANTILLES)**

and

**STATIA TERMINALS N.V. and its Subsidiaries
and Affiliates as listed hereinafter**

and

The COUNTRY OF THE NETHERLANDS ANTILLES

This Agreement, made and entered into on this day of, 2005, by and between:

1. The Insular Territory of St. Eustatius (het “Eilandgebied Sint Eustatius”), hereinafter referred to as the “*Island Territory*,”

and

2. The Country of the Netherlands Antilles (Land van de Nederlandse Antillen”), hereinafter referred to as the “*Country*,” and

3. Statia Terminals N.V., a Netherlands Antilles company, with its seat at St. Eustatius, Netherlands Antilles, hereinafter referred to as “*STNV*”;

4. Statia Laboratory Services N.V., doing business as “Statia Terminals Marine Services N.V.”, a Netherlands Antilles company, with its seat at St. Eustatius, Netherlands Antilles, hereinafter referred to as “*STMS*”;

5. Bicen Development Corporation N.V., a Netherlands Antilles company, with its seat at St. Eustatius, Netherlands Antilles, hereinafter referred to as “*Bicen*” ; and

6. Saba Trustcompany N.V., a Netherlands Antilles company, with its seat at St. Eustatius, Netherlands Antilles, hereinafter referred to as “*Saba Trust*.”

The parties referred to above in recitals 3 through 6 may be hereinafter referred to collectively as the “*STNV Companies*” and individually, as an “*STNV Company*.”

WHEREAS:

- A. The STNV Companies conduct business as a marine terminaling company, whose activities include the following (collectively, the “*STNV Activities*”):
- a. terminal management, construction, construction management, operations, leasing, throughput and related services.
 - b. bulk product and bunker fuel sales and bunkering services;
 - c. services performed by marine vessels owned by or time chartered to or from the STNV Companies;
 - d. emergency, spill, salvage, and other response services;
 - e. laboratory services;
 - f. refining, blending, and processing of liquids and gases;
 - g. maintenance and repair services to vessels or other marine equipment in connection with the STNV Activities;
 - a. leasing of facilities, sales and services to vendors, customers and contractors in connection with the STNV Activities;

- b. sale and/or distribution of water, electricity, fuel and any other product or service to (a) the Government of St. Eustatius and/or (b) any persons or entities therein solely upon the express approval of the Government of St. Eustatius, and/or (c) and/or any person or entity outside the Netherlands Antilles;
 - j. sales and distribution of provisions and related chandlery services;
 - k. sales of, and services as to, gasoline, diesel, propane, butane, other hydrocarbon based materials, chemicals, and similar products or materials, including, but not limited to, exploration, production, refining, distribution, and storage services and or activities;
 - l. owning, leasing and operation of storage and transshipment facilities;
 - m. the sale of emergency spill response equipment, salvage equipment and related supplies in connection with the STNV Activities;
 - n. related marine vessel and management services or services performed by such other entities listed in Annex A to this agreement;
 - o. commercial diving activities in connection with the STNV Activities; and
 - p. such other operations and activities customary or common for a terminaling business, including other activities now or in the future as developed by the STNV Companies within the objects of its business in the widest sense.
- B. Included in the STNV Activities is the right of each STNV Company for itself and/or the other STNV Companies to flag or hire, own, or charter one or more vessels and/or use or change vessels and arrange crew for the vessels for its STNV Activities which might not be vessels registered in the Kingdom of the Netherlands, including foreign owned (non-Netherlands Antilles) vessels and non-Netherlands Antilles crews. As for non-Antillean crew, the STNV Companies will use Antillean labor when available provided such labor possesses required documentation in accordance with prevailing International Maritime Organization rules and regulations, those of the flag state of the individual vessels, and comply with all of the STNV Companies' policies and regulations, which are consistent with the laws of the Netherlands Antilles, including but not limited to the STNV Companies' drug and alcohol policies. The vessels referred to in this paragraph will be required to comply with all Netherlands Antilles and Kingdom shipping laws and be subject to inspections by the appropriate authorities.
- A. Excluded from STNV Activities are agency services (such as vessel owner representation, documentation preparation, crew services, etc, hereinafter sometimes referred to as "agency services") provided by related companies of the STNV Companies to other third parties, which may do business with the STNV Companies. Expressly excluded from STNV Activities for the purpose of this Agreement are the activities of Seven Seas Steamship Company (Sint Eustatius) N.V. ("*Seven Seas*"), a company related to the STNV Companies but not herein defined as an STNV Company. Parties to this agreement recognize that as of the Effective Date of this Agreement, Seven Seas is not admitted to the Tumble Down Dick E-Zone. Parties acknowledge that any agency services provided by or on behalf of the STNV Companies to third parties may be provided by entities not being a part of this Agree-

ment. Such entities shall be subject to any applicable taxes for providing like services within the Netherlands Antilles and shall be treated on an equal basis as any other entity providing like agency services in or from within St. Eustatius, or any other island of the Netherlands Antilles. In the event that in the future any such company is, under applicable law, permitted to conduct business in the E-Zone and is admitted to the E-Zone, then any applicable taxes under the E-zone legislation will become applicable to such entities as well, and Seven Seas shall also be admitted to the E-zone.

- B. The STNV Companies recognize and are conscious of the concern of the Country and the Island Territory for the preservation of the environment. In this respect, the parties recognize and agree that with respect to possible future activity by the STNV Companies in the area of exploration and production refining, the STNV Companies will timely and duly inform the Island Territory and Country of its intentions to perform such activities and will seek the Island Territory's approval, all prior to execution. The Island Territory agrees that it will not unduly or unreasonably delay, limit, restrict or prohibit any such activity unless, after performing a full review of the plans, the governing council of the Island Territory determine in good faith that such planned activity constitutes an imminent, unreasonable and unacceptable risk of land, air and sea pollution.
- E. All aforementioned business activities shall be conducted in or from the Tumble Down Dick E-zone area and in the territorial waters adjacent thereto. The E-zone area is defined and stipulated in the (federal) decree, granting E-zone status to the STNV Companies.
- F. The STNV Companies conduct business activities in the Netherlands Antilles, within or from within the area generally known on St. Eustatius as "Tumble Down Dick," such area as measured and described in a certificate of admeasurement and known between the parties, as well as the areas and waters adjacent thereto all in connection with the STNV Activities, and consistent with the continued use of the territorial waters over the last twenty years.

I CONSIDERING THAT:

1. (a) on December 28, 1988, pursuant to the Decree P.B. 1988, N° 1, the Government of Netherlands Antilles authorized the Island Territory to install a free trade zone in St. Eustatius under the terms of the 1975 Free Trade Zone Ordinance (P.B. 1975, N° 211) and designated an area known as "*Tumble Down Dick*" (bordered on the one side by the Caribbean Sea and on the other sides by Island Territory land and "*Schotsenhoek*") as a free trade zone; and

 (b) on January 27, 1989, the Island Council ("Eilandsraad") of the Island Territory by decree (N° 41) authorized the Executive Council ("Bestuurscollege") to enter into an agreement with STNV, and the Island Territory committed itself to designate

the referenced area “Tumble Down Dick” as a free trade zone area, and accepted STNV as an entrepreneur established in a free trade zone; and

(c) Effective January 1, 1989, and pertaining to the granting of the free trade zone status to STNV and to corporate income tax payments by STNV, as agreed to by the Island Territory, STNV obligated itself to pay an annual compensation of NAFL 500,000.00 (*Five Hundred Thousand Netherlands Antilles Guilders*) to the Island Territory. This as an annual tax amount, all under the terms of the agreement by and between STNV and the Island Territory pursuant to which the Island Territory committed itself to the designation of the area Tumble Down Dick as a free trade area (this agreement, hereinafter referred to as the “Profit Tax and Free Trade Zone Agreement”); and also

(d) the Director of Taxes, Curacao, Netherlands Antilles acknowledged and approved the tax treatment of STNV and STMS as of January 1, 1989, including:

- (i) the referenced payment of an annual tax amount,
- (ii) the waiver by STNV to claim loss compensation and to utilize accelerated loss depreciation methods in calculation of STNV’s corporate taxable income through the duration of the agreement (being December 31, 2000), and
- (iii) the right of STNV to certain tax credit carry-forwards as specified in the Profit Tax and Free Trade Zone Agreement.

2. (a) Pursuant to the 1975 Free Trade Zone Ordinance (P.B.1975, no. 211), as amended, the free trade zone status has been extended up until December 31, 2014 and

(b) pursuant to the 1996 Turnover Tax Ordinance (P.B. 1996, no. 210), as amended, an exemption from Turnover Taxes (“belasting bedrijfsomzetten/omzetbelasting”) is made effective as of January 1, 1997, with respect to entrepreneurs established in a free trade zone, as described in Article 1, paragraph 1, of the Free Trade Zone Ordinance; and

(c) pursuant to the Ministerial explanatory notes to Article II, under b., paragraph 10, dated December 19, 1997 the exemption from Turnover Taxes as of January 1, 1997 regards STNV (or as referred to therein "*Statia Oil Terminals N.V.*") in particular.

3. (a) Pursuant to the 2001 National Ordinance Economic Zone (P.B. No. 18 of 2001) The Government of the Netherlands Antilles approved certain amendments to the 1975 Free Trade Zone Ordinance (P.B.1975, no. 211) thereby in effect converting and extending the terms and conditions of the Free Zones to the new Economic Zones.

(b) In accordance with the terms of the new Economic Zone (E-zone) ordinance all Free Trade Zones and all entities previously admitted to Free Zones are automatically admitted to the new Economic Zones.

4. The Parties hereby seek to come to this new agreement, hereinafter referred to as

the “2005 Tax and Maritime Agreement,” replacing the prior Profit Tax and Free Trade Zone Agreement by and between the Parties. The Parties seek to accomplish certain ancillary matters in connection with STNV Activities with the Island Territory and the Government of the Netherlands Antilles, as applicable, relating to the annual profit tax and other amounts collectively levied on the STNV Companies, the tax treatment of the Expatriates of the STNV Companies and the persons providing goods and services exclusively to the STNV Companies in connection with the STNV Activities as more fully described in Annex A, attached hereto (referred to in this Agreement as the “Annex A Persons”) and the application of turnover tax to the Annex A Persons to the extent that they provide goods and services to STNV Companies in connection with the STNV Activities.

5. In addition to the tax matters mentioned above, the parties seek to accomplish simultaneous agreements on matters such as (1) tax treatment of expatriates, (2) concession fees for exclusive rights on pilotage and towing services for vessels calling exclusively at the STNV Companies and Tumble Down Dick, (3) Site restoration and clean-up fund, and (4) Vessel fees, each as more fully set forth below, and (5) renegotiated anchorage fees (such agreement to be arrived at with Seven Seas).

6. Each of the STNV Companies has taken all requisite corporate action to authorize, approve and ratify the execution and delivery of this Agreement by such company. By execution of this Agreement, the Island Territory certifies that all necessary action to enter into this Agreement has been taken, including any authorization, approval or otherwise, in the form of island ordinances, decrees and the like, copies of which have been made to, or are available for the STNV Companies.

II TERMS AND CONDITIONS

1. (a) This Agreement is retrospective to **January 1, 2005** (the “*Effective Date*”) and shall be in effect up to **December 31, 2014** (the “*Termination Date*”), unless provided otherwise herein.

(b) The parties hereto agree that after March 1st 2013, but in any event no later than January 1st 2014, they shall enter into negotiations to determine the terms of a new agreement which agreement shall be entered into under conditions to be determined at such time by the parties. Parties commit themselves to enter into negotiations in a timely manner, without undue delay and in good faith with the aim of achieving agreement prior to the *Termination Date*.

2. In consideration of the execution of this Agreement, the Island Territory shall issue a decree (“*Eilandsbesluit*”) to and for the benefit of each of the STNV Companies, in which it is formally restated that each such STNV Company is classified as an enterprise admitted to do business in the Tumbledown Dick E-zone of St. Eustatius, which classification shall be extended to each of the STNV Companies through the Termination Date of this Agreement. The date that such decree is issued shall be referred to in this Agreement as the “*Decree Date*.”

In view of the Turnover Tax Ordinance as in effect at the date hereof, the decree shall also provide the following:

(a) the Annex A Persons will be declared exempt from any turnover taxes, as may be levied by or on behalf of the Country, or the Island Territory, insofar as applicable, such exemption taking effect as of (“*vanaf*”) the Effective Date and remaining in effect for future years of operations of the STNV Companies and the Annex A Persons operating solely to the extent that such Annex A Persons are operating in the E-zone and, to the extent necessary, it is further confirmed that each STNV Company admitted to the E-zone is exempted from turnover taxes;

(b) the Annex A Persons operating exclusively in the E-zone shall not require any permit, license or other governmental approval for the providing of services in connection with the STNV Activities, unless any Annex A Person has a permanent establishment in the Netherlands Antilles, in which case one or more permits or licenses may be required to conduct business, which permits, or licenses shall not be unreasonably withheld and shall be granted by the relevant authorities without delay, all in the interests of the STNV Companies and the conduct of the STNV Activities by or on behalf of the STNV Companies and/or, in so far as applicable, be deemed granted to such Annex A Persons in accordance with the provisions of the ministerial decree, dated May 12, 1999 issued by the Minister of Justice of the Netherlands Antilles;

(c) that in the case any Annex A Person is or shall constitute a permanent establishment and desires admittance to the E-zone therein, then such Annex A Person shall be admitted to the E-zone by the relevant authorities without delay, and such admission shall not be withheld, and during the time that such Annex A Person is present therein before formal admission or pending application for admission to the relevant authorities, shall be deemed to be admitted in the E-zone;

(d) any Annex A Person providing goods and services exclusively to the STNV Companies shall be subject to wage tax under applicable law with due observance of the application of the provisions of the Expatriate Regulation 1998 hereto, to which STNV Companies and its employees and the Annex A Persons are and shall be entitled during the term of this Agreement;

(e) the Annex A Persons admitted to the Tumble Down Dick E-zone, shall, for goods and/or services rendered exclusively or substantially exclusively to the STNV Companies, be subject to the E-zone Tax Rate of two (2) percent of taxable income (as defined in Article III, section 1 set forth below); and

(f) the Annex A Persons who (1) are not resident of the Netherlands Antilles for tax purposes, and (2) who do not have a permanent establishment in the Netherlands Antilles (as defined by Netherlands Antilles tax law and jurisprudence), but which provide goods and services from time to time exclusively or substantially exclusively to an

area designated as the E-zone in which or from which the STNV Activities are performed, shall, other than as set out in (d) above, be exempt from all existing and future taxes or government imposed charges of any kind.

III PROFIT TAX AMOUNTS DUE BY STNV COMPANIES

1. The STNV Companies confirm that they are subject to a two percent (2%) profit tax rate on taxable income, applicable to enterprises admitted in an area designated as an E-zone (the “E-zone Tax Rate”); in accordance with the 2001 National Ordinance Economic Zone (P.B. No. 18 of 2001) and except as otherwise expressly provided herein.

2. In recognition of the full and final settlement of all taxes, fees, levies, and other charges as provided herein, including the settlement of all findings pursuant to the tax audit conducted on behalf of the Island Territory, STNV agrees to the following:

(a) STNV, on behalf of itself and the other STNV Companies, shall make a one time aggregate payment of NAFL 5,000,000.00 (*Five Million Netherlands Antilles Guilders*) to the Island Territory, which amount shall be paid within five business days after the Decree Date, by transfer of such funds, by check or wire transfer to the Island Receiver or any another entity or entities so designated by the Island Territory. This amount of NAFL 5,000,000.00 (*Five Million Netherlands Antilles Guilders*) is in full and final satisfaction and of discharge of all STNV Companies’ liabilities, taxes, fees, levies, charges or otherwise (including settlement of the tax audit) whatsoever due or potentially due to the Island Territory up to the Decree Date; provided, however, that STNV Companies shall remain obligated to pay the Minimum Annual Profit Tax Payment for 2005 pursuant to paragraph (f) below and the Annual Concession Fee for 2005 pursuant to the provisions of Article VI.2(a) below. STNV Companies’ excess tax carry forward in existence as of the Effective Date shall continue in effect and be included within the Excess Tax Carryforward Amount provided for below.

(b) The STNV Companies hereby commit to an annual minimum profit tax payment to the Island Territory of Naf. 1.000.000.00 (NAFl. One Million Netherlands Antilles Guilders) (referred to herein as the “*Minimum Annual Profit Tax Payment.*”) beginning as of the Effective Date.

(c) Following the end of each calendar year during the term of this Agreement, and in accordance with the Netherlands Antilles Profit Tax Ordinance, STNV shall calculate the taxable profit for the STNV Companies for such year (or applicable portion thereof) and shall calculate the total profit tax that would otherwise be due for such period calculated at the 2% profit tax rate applicable to E-zone enterprises (the “*Annual Tax Amount*”).

(d) In the event the Annual Tax Amount for any year is lower than the Minimum Annual Profit Tax Payment, STNV will be entitled to carry forward the excess tax paid (the “*Excess Tax Carryforward Amount*”), being the difference between the Annual Tax Amount for such year and the Minimum Annual Profit Tax Payment.

(e) In the event the Annual Tax Amount for any year is higher than the Minimum Annual Profit Tax Payment, STNV shall promptly settle the additional amount with the Island Receiver or any other entity or entities so designated by the Island Territory; provided that STNV may net against any excess payment otherwise then due any Excess Tax Carryforward Amounts from previous years.

(f) STNV commits to pay the aforesaid *Minimum Annual Profit Tax Payment* each year by means of 12 equal monthly installments of NAF 83,333,33 (*Eighty Three Thousand Three Hundred and Thirty Three Guilders and thirty three cents*). Beginning the month following the Decree Date, the monthly installment shall be made payable to the Island Receiver or another entity or entities so designated by the Island Territory, no later than the fifteenth (15th) day of the month following the month it is due (and in case the fifteenth day is not a business day, the immediately preceding business day). In case of late payment, STNV will be subject to the usual penalties as generally applied on late payment of taxes and social security premiums.

By the fifteenth (15th) day of the month following the Decree Date, that portion of the *Minimum Annual Profit Tax Payment* for the period from the Effective Date through the Decree Date not yet settled, will be paid in full to the Island Receiver or another entity or entities so designated by the Island Territory. For purposes of calculating the Annual Tax Amount due for 2005, STNV shall include taxable income from the Effective Date through December 31, 2005.

(g) The Parties agree and acknowledge that STNV shall be primarily obligated for all tax payments and shall be responsible for the payment on behalf of the STNV Companies on a consolidated or combined basis, and that the Island Receiver shall firstly look to STNV for payment thereof. If STNV should not be able to pay the tax amounts in accordance with the provisions set out in this agreement, or does not meet its payment obligations in time, then the amounts so due may be collected from any STNV Company named herein.

(h) STNV agrees that copies of the combined or consolidated financial statements of the STNV Companies operating in St. Eustatius will be made available to the Island Territory to be referenced in the calculation of the *Annual Tax Amount*. STNV agrees that it shall submit its tax return in a timely manner in accordance with the deadlines set for filing of annual profit tax returns by the tax authorities of the Netherlands Antilles. STNV agrees it shall follow, with due observance of the provisions of this Agreement, the applicable provisions of the Netherlands Antilles Profit Tax Ordinance, including the observance and application of accounting principles as accepted in the Netherlands Antilles, all in accordance with the laws of the Netherlands Antilles. The STNV Companies Financial Statements (combined or consolidated) of each closed financial year shall be forwarded to the Island Territory of St. Eustatius by July 1 of the following calendar year.

(i) Whenever reference is made to an obligation to pay a tax amount, this shall refer to the obligation of STNV to pay such amount for itself and the other STNV Companies party to this Agreement. The Island Territory hereby confirms and agrees that it shall look to STNV for the full payment of the amounts under this Agreement in accordance with paragraph (g) above. The Parties confirm and agree that, other than as expressly provided in this Agreement, the STNV Companies shall be treated similarly to all other taxpayers with respect to any business it may conduct in the Netherlands Antilles that does not relate to or form part of the STNV Activities carried out within the designated Tumble Down Dick E-Zone area.

(j) Notwithstanding STNV's obligation to submit in a complete, accurate and timely manner, the STNV Companies' tax returns, the Netherlands Antilles, by means of its tax enforcing authorities (e.g. the Inspectorate of Taxes, the SBAB etc.) shall have the right to audit, or have audited, all books and records of STNV and STNV Companies, required to be kept under the law, to ascertain and determine the validity, completeness and accuracy of any financial statement provided, tax returns submitted or tax amounts paid. STNV will at all times provide all cooperation reasonably necessary in the execution such audits.

(k) In the event the STNV Companies wish to engage in activities not forming part of the STNV Activities in or from within the Netherlands Antilles, then it shall communicate with the Island Territory, insofar as necessary, with respect thereto, and

- (1) seek confirmation that the same do not violate the terms of this Agreement, or
- (2) seek an amendment to this Agreement, insofar as necessary.

IV TAX TREATMENT OF EXPATRIATES

1. Whereas:

(a) In order to attract and retain necessary skilled personnel related to the STNV Activities, the parties agree that throughout the term of this Agreement, and without temporal limitation, Expatriates may be attracted to perform services on St. Eustatius on behalf of the STNV Companies.

(b) Pursuant to the Expatriate Regulation 1998, expatriate employees may benefit from the tax treatment on their wages, other incomes and fringe benefits.

2. The Parties to this Agreement recognize and agree that:

(a) Preferred treatment for wage, income, and other taxable benefits shall continue to be afforded to Expatriates employed by STNV Companies and the Annex A Persons;

(b) Such Expatriates shall continue to be exempted from AOV/AWW (General Old Age and General Widow's and Orphan's Insurance), AVBZ (General Insurance on Special Medical Expenses, General Insurance on Medical Expenses and Non-Obligatory Complementing Insurance), and SVB (Health and Accident Insurance) until such time at which an Expatriate becomes a naturalized citizen of the Netherlands (if at all);

(c) the definitions, conditions and specific terms for the Expatriate treatment have been laid down in the Expatriate Regulation 1998;

(d) the Expatriate Regulation 1998 is applicable for qualifying employees who reside on St. Eustatius at the Effective Date and for qualifying employees who will be employed in future by STNV. The Expatriate Regulation 1998 will be amended in order for the employees who reside on St. Eustatius at the Effective Date to qualify under this Regulation;

(e) the Expatriate Regulation 1998 will be amended for the Annex A Persons;

(f) The Parties agree that the tax treatment of and the conditions applicable to the STNV Companies and Annex A Persons shall remain in effect throughout the Term of this Agreement (including any extension or renewal thereof) and shall not be amended, decreased, revoked or withdrawn through the *Termination Date*, other than with the consent of all parties.

(g) STNV Companies commit to make every reasonable effort and will continue to give first preference to the hiring and training of qualified local residents and Antilleans whenever possible, with the aim of reducing in due time the need to attract and hire Expatriates.

(h) Standard procedures as required by applicable labor laws will be followed at all times. STNV Companies further commit, in the context its role as Good Corporate Citizen, to participate with the representatives of the Island Territory and other social partners on St. Eustatius in a permanent discussion platform, with the aim of facilitating improved hiring, work placement, performance monitoring, training and career development in behalf of the persons working at the STNV Companies. The Island Territory commits to establish this multi-disciplinary platform within 6 months of the signing of this Agreement.

V OTHER TAXES, SOCIAL SECURITY AND FEES DUE BY STNV

1. Except as otherwise expressly provided in this Agreement, STNV Companies shall, in addition to the profit tax amounts as agreed upon in the preceding chapter of this Agreement, in the ordinary course of business be responsible for and be obligated to pay and/or to withhold (on the same basis and at the same rate as any other tax payer subject to taxation and employee withholdings under and in accordance with the applicable tax laws and subject to the rules and exceptions regarding Expatriates contracted or employed by STNV Companies and the Annex A Persons) the following taxes, withholdings, social security fees and other governmental administrative charges:

(a) Social security premiums (such being AOV/AWW, ZV/OV, AVBZ);

(b) Employee wage taxes (Loonbelasting);

(c) Island administrative charges for: work and residency permits, directors licenses, business establishment fees, airport taxes, harbor fees (e.g. wharfage, pier, pilotage, storage) subject to the provisions of Article VI of this Agreement, document registry fees, stamp duties, building permits, gasoline taxes for the consumption of gasoline outside of the E-zone but in the Netherlands Antilles and such other similar island retributions for government services in accordance with the island retribution ordinance and other ordinances.

(d) Taxes on the transfer of real estate excluding any such transfer as a part of merger or restructuring between any STNV Companies, or such other entities affiliated with any STNV Company; provided that if real estate is transferred tax-free pursuant to this provision and the acquiring affiliate is sold within 6 months of such tax-free transfer, the acquiring affiliate shall with retroactive effect (“terugwerkende kracht”) pay such tax on the aforementioned transfer of real estate.

2. The Parties to this Agreement commit that for the duration of the Agreement, the STNV Companies will have no responsibility for, or obligation to pay taxes, duties, fees, and governmental charges as set forth below and that are in effect under Netherlands Antilles law at the *Effective Date* of this Agreement or thereafter in the future, or any future increase or modification thereof, until the Termination Date, to the extent such assessments relate to STNV Activities:

- Import Duties
- Taxes with respect to real property owned, leased or otherwise used by STNV Companies within the Tumble Down Dick E-zone
- Sales and Turnover taxes for STNV Companies and the Annex A Persons
- Gasoline, Diesel and other fuel taxes of any kind, including for the sale and distribution of the same in or from within the E-Zone to any person or entity not considered a resident of the Netherlands Antilles

1. STNV recognizes its obligation to annually pay in accordance with the Hindrance Ordinance an amount of NAFL 50,000.00 (*Fifty Thousand Netherlands Antillean Guilders*) to the Island Territory (referred to in this Agreement as the “*Hindrance Fee*”).

2. It is expressly understood and so agreed that as of the *Effective Date* up to and including the *Termination Date* no other taxes, including any withholding taxes on dividends, royalties and interest in existence now or in the future, governmental charges, fees, duties or assessments of any kind, will be levied or shall be in effect that may be applicable to STNV Companies relating to the STNV activities other than the ones specifically stated in this Agreement.

VI PILOTAGE, TOWAGE AND VESSEL FEES

1. Whereas:

(a) Parties acknowledge the authority of the Island Territory, pursuant to the AB 1982 no. 1 to exclusive pilotage service in the waters of the St. Eustatius

(b) Through the 1990 Anchorage Agreement between the Island Territory and Statia Chandlers/Seven Seas, the Island Territory has afforded to Statia Chandlers/Seven Seas the benefit to provide such services to vessels calling at STNV Companies and the Tumble Down Dick Harbor without any compensation.

(c) The Island Territory has the exclusive right to provide pilotage services to all vessels in waters of St. Eustatius.

(d) STNV Companies are desirous to continue to provide piloting service exclusively to its customers.

(e) STNV Companies in recognition of the exclusive authority of the Island Territory on pilotage consents to pay an annual concession fee to be permitted to provide pilotage services to vessels calling exclusively at Tumble Down Dick Harbor and at the STNV Companies' facilities and consistent with the continued use of the territorial waters over the last twenty years.

(f) STNV Companies will be responsible for its pilotage service and for any errors or omissions by its pilots and its pilotage service.

(g) STNV Companies have to date provided tugboat and towing services (on an exclusive basis) to vessels calling at Tumble Down Dick Harbor and STNV Companies' facilities.

(h) STNV Companies request the treatment of the existing business operating license to provide tugs and towage services as exclusive for vessels calling at Tumble Down Dick Harbor and STNV Companies' facilities, only.

(i) STNV Companies, in consideration of the granting of the exclusive right of license to perform tug and towage services to ships calling exclusively at Tumble Down Dick Harbor and STNV Companies' facilities, consents to pay an annual concession fee.

(j) Parties recognize the intent of the Island Territory and Seven Seas to renegotiate the terms of the Anchorage Agreement of March 1, 1990 presently existing between them. The new Anchorage Agreement is to be arranged under separate cover between Seven Seas and the Island Territory.

(k) The Parties recognize, in accordance with the intended terms of the Anchorage Agreement between the Island Territory and Seven Seas, that such vessels calling at STNV Companies' facilities at Tumble Down Dick Harbor, for purposes other than for bunkering, will not be required to pay anchorage, pier or mooring fees to the Island Territory under the new Anchorage Agreement.

(l) The Parties are desirous to arrange payment to the Island Territory for such vessels calling at STNV Companies for purposes other than for bunkering. Parties agree on the payment of a fee (*a Vessel Fee*) for every vessel entering the territorial waters of St. Eustatius to engage in business with STNV Companies, which vessels are not calling for the sole purpose of bunkering, but which will make use of STNV Companies' facilities, such as STNV Companies' piers and buoys.

2. The Parties, in recognition of the considerations in the preceding section, agree that:

(a) STNV, for the exclusive right to continue to provide pilotage and tug and towage services, to vessels calling exclusively at Tumble Down Dick Harbor and STNV Companies' facilities, shall for each year beginning on the Effective Date and annually thereafter, pay a combined *Annual Concession Fee* of NAFL 200,000.00 (*Two Hundred Thousand Netherlands Antilles Guilders*). STNV further commits to pay the *Annual Concession Fee*, each year, by means of 12 equal monthly installments of NAFL 16,667.67 (*Sixteen Thousand Six Hundred Sixty Seven Netherlands Antilles Guilders*). Beginning the month following the Effective Date but subject to the last sentence of this paragraph (a), the monthly installments shall be made payable to the Island Receiver or another entity or entities so designated by the Island Territory, no later than the fifteenth (15th) day of the month following the month it becomes due (and in case the fifteenth day is not a business day, the business day immediately prior thereto). In case of late payment, STNV will be subject to the usual penalties as generally applied on late payment of taxes and social security premiums. By the fifteenth (15th) day of the month following the Decree Date, that portion of the *Annual Concession Fee* for the period from the Effective Date through the Decree Date not yet settled, will be paid in full to the Island Receiver or another entity or entities so designated by the Island Territory.

(b)

(1) STNV will pay a *Vessel Fee* in the amount of NAFL 2,100.00 (*Two Thousand and One Hundred Netherlands Antillean Guilders*) for each and every vessels entering the territorial waters of St. Eustatius to engage in business with STNV for purposes other than bunkering. Vessels calling on STNV for the sole purpose of receiving bunker fuel shall be subject to payment to the Island Territory in accordance with the new Anchorage Agreement between the Island Territory and Seven Seas and shall therefore not be subject to any Vessel Fees under this Agreement.

(2) STNV will submit to the Island Harbor Authority, for perusal and verification at the end of each month but no later than the 15th of the following month, a schedule containing the names, the number of ships, the dates of arrival and departure and the gross tonnage of each vessel. The Island Harbor Authority will peruse and verify the information submitted. In the case of discrepancy, the Island Harbor Authority and STNV will seek to settle such, in a prompt and amicable manner.

(3) STNV will pay the *Vessel Fees* monthly to the Island Receiver or another entity or entities so designated by the Island Territory based on the schedule prepared and submitted the Island Harbor Authority. This monthly payment must be made no later than the fifteenth (15th) day of the month following the month the vessels called at STNV (and in case the fifteenth day is not a business day, the immediately preceding business day), or, with respect to any amounts disputed by the Island Harbor Authority, within five business days following the resolution of such dispute. In case of late payment, STNV will be subject to the usual penalties as generally applied on late payment of taxes and social security premiums.

(4) The aforementioned *Vessel Fee* shall be subject to an annual increase due to indexation each successive anniversary of the Effective Date of this Agreement, based on 25 percent (*Twenty Five percent*) of the change in the most recently published Netherlands Antilles Consumer Price Index (CPI) when compared to the most recent preceding published CPI.

VII TERMINATION

1. Each of the Parties hereby waives its right to bring action to dissolve or annul this Agreement, unless the conditions mentioned in this Agreement have, in one or more material respects, not been properly or completely fulfilled in accordance with the terms of this Agreement.

2. (a) In the event any STNV Company or any of the entities with which any STNV Company forms a group having direct or indirect voting control over STNV determines during the term of this Agreement to terminate or materially reduce the operations of the STNV Companies and the STNV Activities on St. Eustatius, STNV shall for itself and on behalf of the other STNV Companies negotiate with the Island Territory with respect thereto including, among others, any preservation of facilities at mutually acceptable standards, and to determine any remaining obligations under this Agreement; provided however that at no time shall any STNV Companies be confronted or charged with any departure fee or exit fee, tax or levy as a result of such departure or exit.

(b) For the benefit of the Parties, STNV confirms that it has no current intention whatsoever to terminate or materially reduce the operations of STNV Companies and the STNV Activities in or from within St. Eustatius. In the event any such termination or material reduction of operations of STNV and the STNV Activities is considered, the same cannot take place and come into effect unless notice of such decision is given to the Island Territory and the Country, which notice must be delivered at least nine (9) months prior to the envisioned date of termination or material reduction of operations, and unless it is done in accordance with internationally accepted standards mutually acceptable to the Parties.

3. (a) The Parties agree that within 6 (six) months of the signing of this Agreement, an independent clean-up fund, to be referred to as the *Site Restoration Fund*, will be established jointly by the Island Territory and STNV as an interest-bearing account in a reputable bank to be determined by the Island Territory of St. Eusatius. All interest earned on the Account shall be applied to the Site Restoration Fund.

(b) The objective of this Site Restoration Fund will be to accumulate reserves for cleaning up and removing of all types of pollution and for the restoring of the environment and grounds, resulting from the operations of the STNV Companies, upon any termination or substantial reduction of the STNV Activities. Contributions to the Site Restoration Fund by the Island Territory will be assigned to the restoration of flora

and fauna.

(c) Beginning in 2006 through the Termination Date, each of STNV and the Island Territory shall be obligated to pay on an annual basis an amount of NAFL 57,000.00 (*Fifty-Seven Thousand Netherlands Antillean Guilders*) to the Site Restoration Fund (referred to in this Agreement as the "*Restoration Fund Fee*"). The Restoration Fund Fee shall be due and payable to the Site Restoration Fund no later than December 31 of each year beginning with December 31, 2006.

(e) Upon final termination of the STNV Activities, the STNV Companies shall be jointly and individually liable to the Island Territory for any and all damages caused to and suffered by the Island Territory, resulting from pollution of the ground and environment that are proven to have arisen directly from the STNV Activities. Such damages will be determined by a nationally or internationally recognized entity, acceptable to all the Parties, specializing in such assessments. Settlement by STNV Companies will be accomplished by clean-up of the site, if legally required, or an agreed upon payment to the *Site Restoration Fund*, at the election of the Islands Territory of St. Eustatius. STNV Companies may utilize all amounts in the Site Restoration Fund in the clean-up efforts, or, if STNV Companies elect to make payment in lieu of clean-up, STNV Companies may net all amounts in the Site Restoration Fund against such in-lieu of payment (such that the payment made by STNV Companies when added to the amount in the Site Restoration Fund equals the in-lieu of payment.)

4. The Parties commit to begin negotiations toward a new agreement in a timely manner (by March 1, 2013 and in any case no later than January 1, 2014) in good faith with the express aim of achieving a new agreement prior to the Termination Date. In the event the parties are unable to reach a new agreement by the *Termination Date*, this Agreement shall lapse and expire as of the *Termination Date*, and the terms regulated herein will be governed by the then prevailing laws, ordinances and regulations of the Netherlands Antilles and the Island Territory, including laws, ordinances and regulations relating to Profit Taxes, Anchorage and other Marine Service Fees, Tax Treatment of Expatriates and the Hindrance Ordinance, unless otherwise agreed and/or until such time as a new agreement is reached.

X FINAL PROVISIONS, GOVERNING LAW AND FORUM

1. This Agreement shall be governed by the laws of the Netherlands Antilles, and any dispute or disagreement as to this Agreement and the contents thereof shall be brought exclusively before the competent courts of the Netherlands Antilles.

2. STNV for itself and on behalf of the other STNV Companies on the one hand and the Island Territory and Country on the other hand shall bear their own costs and expenses regarding the preparation, negotiation and entry into this Agreement, unless agreed otherwise.

3. (a) The Parties acknowledge the right of the STNV companies and any of the entities with which STNV forms a group having direct or indirect voting control over any such STNV Company to, among other things, and without limitation, be subject to or initiate a corporate restructuring as a result of which one or more entities, incorporated or otherwise, may be set up, or reorganized, or as a result of which one or more of the STNV Companies (other than STNV) may be dissolved and liquidated or restructured, without effect on the obligation of STNV under this Agreement.

Comment: New companies must request permission to be admitted to e-zone

(b) In the event of such corporate restructuring, reorganization, dissolution, or liquidation, STNV shall whenever necessary notify the Island Territory and Country insofar as necessary in writing as to any such event occurring and shall take all necessary steps to have any such entity become signatory to this Agreement or notify the same of the dissolution and liquidation of such STNV Companies (other than STNV unless in connection with a termination set forth in section 2(a) of Article VII).

4. This Agreement contains the complete agreement between the Parties hereto on the subject matter hereof, on the terms and conditions set forth in this Agreement, and this Agreement supersedes and replaces any preceding agreements between the Parties thereto on the same subject matters herein described, as of the *Effective Date*, subject to the terms of this Agreement. This Agreement may only be amended and/or supplemented in writing with the consent of all Parties hereto.

IX NOTICES

1. Any and all communications or notices will be made by registered mail or by facsimile transmission, the date of dispatch of the facsimile being the date of receipt. A facsimile transmission shall subsequently be confirmed by registered letter.

2. Each of the STNV Companies, other than STNV, hereby appoints, designates authorizes and empowers STNV as its agent (“gevolmachtigde”) for service of process to accept and acknowledge for and on behalf of each of the STNV Companies, other than STNV, service of any and all process, notices, communications or other documents that may be served in relation to this Agreement. Any and all communications or no-

tices to the Parties shall, with due observance of the foregoing sentence, and as long as the Parties have not provided any other address, or revoked the appointment of STNV as the process agent, be sent to the Parties as set forth below.

- A. in any event, to Statia Terminals N.V. - with a copy to Statia Terminals, Inc. - at the following addresses:

Name: **Statia Terminals N.V.**
Address: P.O. Box 170
Place: St. Eustatius
Attention: The Board of Managing Directors
Facsimile: (599) 318 2259

Name: **Statia Terminals, Inc.**
Address: One Valero Way
Place: San Antonio, Texas 78249 U.S.A.
Attention: Robert C. Gaffney
Phone: (210) 345-4624

- B. Name: **The Island (Territory) of St. Eustatius**
Address: Government Guesthouse
Place: Oranjestad, St. Eustatius
Attention: The Executive Council
Facsimile: (599) 318 2324

- C. Name: **Minister of Finance**
Address: Fort Amsterdam 17
Place: Curacao, Netherlands Antilles
Attention: Minister of Finance
Facsimile: (599)9 4630477

X MISCELLANEOUS

1. The Parties recognize that STNV Activities are conducted by STNV in large part in the area known as Tumble Down Dick, designated as the Tumble Down Dick E-Zone and consistent with the continued use of the territorial waters over the last twenty years, such area as may be expanded from time to time, provided however, that any such expansion of territory of the E-Zone is subject to the prior written approval of the Island Territory, which approval will not be unreasonably withheld.

2. The Parties recognize the possibility that at a future date one or more international treaties, conventions, accords, or agreements (all hereafter referred to as the "Treaty requirement") may come into effect, applicable to oil terminal companies within the Netherlands Antilles. STNV confirms it will, as required under international law, abide by and comply with the terms and conditions of any such Treaty Requirement; provided, however, that in the event as a result of such Treaty requirements STNV and/or the STNV Activities are adversely affected (monetarily or otherwise) as a result

of which STNV or any of the STNV Companies are placed at a competitive disadvantage in comparison to STNV's Netherlands Antilles or non-Netherlands Antilles competitors, the Country and Island Territory shall use its best efforts to achieve a fair resolution thereof by amending this Agreement or otherwise. The Country and The Island Territory shall each use its best efforts to engage STNV's direct participation for itself and on behalf of the STNV Companies and any of its representatives and counsel, relative to any negotiations respecting any such treaty requirements.

3. The Country and the Island Territory each agree that in view of the importance of STNV, including the STNV Activities, for the Island of St. Eustatius, that they shall at all times use their best efforts to promote, support, and facilitate STNV and permit and make possible the performance of the STNV Activities now and in the future in the Netherlands Antilles and shall in the spirit of this Agreement grant or have granted all permits, license, and the like, without any additional fee, charge or tax other than as set out and agreed to in this Agreement insofar as STNV may from time to time be required to obtain in accordance with applicable law.

This agreement was signed in .. [...] fold, on St. Eustatius, Netherlands Antilles, on [...], in the year 2005.

Statia Terminals N.V.
By:
Title: Managing Director.

Statia Terminals Marine Services N.V.
By:
Title: Managing Director

Bicen Development Corporation NV
By:
Title: Managing Director.

Saba Trustcompany NV
By:
Title: Managing Director

The Island (Territory) of St. Eustatius
tilles

By:
Title: Lieutenant Governor

The Country of the Netherlands Antilles

By:
Minister of Finance

ANNEX A

Description of Vendors, Suppliers and Contractors, including any of its employees, providing goods and services exclusively to STNV in connection with the STNV Activities in the E-zone¹

These persons or entities include:

- Marine vessel operators, crewing agents and crew, including operators of tug boats, line handling launches, maintenance vessels, emergency and spill response vessels.
- Tank, piping and marine construction and maintenance companies.
- Electrical and instrumentation contractors.
- Civil engineering contractors and builders.
- Engineering and drafting contractors.
- Refinery technicians and operators.
- Heavy equipment operators.
- Laboratory technicians and independent petroleum inspectors.
- Underwater diving maintenance and inspection contractors.
- Fresh water maintenance contractors.
- Environmental, emergency and spill response consultants and contractors.
- General contractors and consultants assisting with petroleum terminal matters.
- Computer programmers and software developers,.
- Communications specialists.

Comment:

It is our understanding that “local” vendors able to provide similar services as Annex A companies, will be considered by STNV for providing services.

¹ This list may be amended and updated from time to time by STNV for itself and on behalf of the other Statia Companies, upon due consultation and approval with the Island Territory and the Country.