

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public. Finally, the Attorney General intends, at the earliest possible opportunity, to make these public documents available on the Internet on the Department of Justice World Wide Web site.

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

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

1. Name and address of registrant Commonwealth of Dominica Maritime Registry, Inc	2. Registration No. 5334
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3. Name of foreign principal Commonwealth of Dominica, Office of Ministry of Finance, Industry and Trade	4. Principal address of foreign principal Rosseau, Dominica
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5. Indicate whether your foreign principal is one of the following:

- Foreign government
- Foreign political party
- Foreign or domestic organization: If either, check one of the following:
 - Partnership
 - Corporation
 - Association
 - Committee
 - Voluntary group
 - Other (specify) _____
- Individual-State nationality _____

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

- a) Branch or agency represented by the registrant. Office of the Ministry of Finance, Industry and Trade
- b) Name and title of official with whom registrant deals. Norman W. Lemley, Deputy Maritime Administrator

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

- a) Principal address. Not Applicable
- b) Name and title of official with whom registrant deals.
- c) Principal aim

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

NOT APPLICABLE

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

b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal Yes No

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

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

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

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

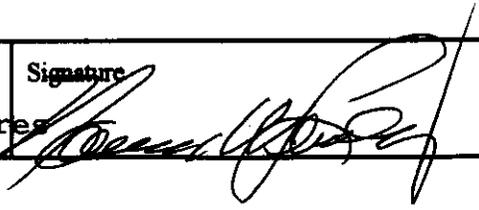
Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes No

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

NOT APPLICABLE

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

NOT APPLICABLE

Date of Exhibit A	Name and Title	Signature
10/09/99	Norman W. Lemley, Pres	

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

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1. Name of Registrant Commonwealth of Dominica Maritime Registry, Inc.	2. Registration No. 5334
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3. Name of Foreign Principal

Commonwealth of Dominica
Office of the Ministry of Finance, Industry and Trade

Check Appropriate Boxes:

4. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
5. There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
6. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.

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

The registrant and the Foreign Principal have a contract for the registrant to administer a marine corporate entity and shipping registry. A contract is attached hereto.

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

To engage in the administration of a marine corporate entity and shipping registry.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes No

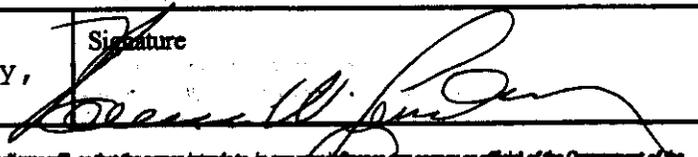
If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

To promote the marine corporate entity and shipping registration program and to collect all fees associated with such functions.

Date of Exhibit B
10/09/99

Name and Title
Norman W. Lemley,
President

Signature



Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political interests, policies, or relations of a government of a foreign country or a foreign political party.

AGREEMENT

Between

THE GOVERNMENT OF THE COMMONWEALTH OF DOMINICA

and

COMMONWEALTH OF DOMINICA MARITIME REGISTRY, INC.

Effective October 1, 1999

RECEIVED
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This AGREEMENT made as of the Effective Date October 1, 1999 between the GOVERNMENT OF THE COMMONWEALTH OF DOMINICA, represented herein by Julius C Timothy, the Honourable Minister of Finance, Industry, and Planning (hereinafter called "Government"); and COMMONWEALTH OF DOMINICA MARITIME REGISTRY INC., ("DMRI"), a Corporation organized under the laws of the State of Delaware, in the United States of America, (hereinafter called the "Agent" or "DMRI").

WITNESSETH:

WHEREAS, the Commonwealth of Dominica is desirous of establishing an international ship and maritime corporate registry that has the stated tenets of:

- A "Flag of Quality" not a "Flag of Convenience"
- Registry Theme - Quantity, Efficiency and Customer Service
- Honor the Mariner;

WHEREAS, the Commonwealth of Dominica desires that the international ship and maritime corporate registry should take its place in the international marine community as a quality open registry; and

WHEREAS, the DMRI is desirous of acting as agent to assist the Government in establishing and operating the quality international ship and maritime corporate registry and to collect all fees, charges and other exactions payable to the Government with respect to ships registered by DMRI under this Agreement ;

NOW, THEREFORE the Agent agrees with the Government that, from and after the Effective Date of this Agreement, the rights and obligations of Government and the Agent, except as otherwise provided herein shall be governed solely by this Agreement.

SECTION I. MARITIME FUNCTIONS AND KEY ACTIVITIES OF DMRI

- 1.1 DMRI undertakes to aid the Government and the Commonwealth of Dominica Maritime Administration (hereinafter referred to as "MARAD") in the administration of the Government's maritime program, as determined from time to time by the Government or MARAD.
- 1.2 Within the framework of this Agreement, the functions of DMRI are the following:
 - (a) Ship and Marine Corporate Entity Registry Functions which shall include the following:
 - (i) Establishment of an international ship and yacht registry, hereinafter referred to as "Dominica Registry" or "Registry", with associated documentation with respect to all International Maritime Organization ("IMO") and International Labor Organization ("ILO") mandatory instruments.
 - (ii) Establishment of a marine entity corporate registry hereinafter referred to as Maritime Corporate Registry.
 - (iii) Documentation of mariners in accordance with the International Convention on Standards of Training, and Certification for Watchkeeping ("STCW '95").

- (iv) Investigation of accidents and casualties associated with vessels of Dominica registry, as well as the conduct of formal marine boards of investigation as may be directed by MARAD.
 - (v) Technical advisory services to MARAD with respect to IMO instruments and Dominica domestic and international maritime safety and pollution prevention laws.
 - (vi) In consultation with the Government, undertaking of IMO representational services on behalf of the Commonwealth of Dominica.
- (b) Administrative Functions which shall include:
- (i) Collection of all fees associated with the Open/International Registry and Maritime Corporate Registry related matters.
 - (ii) Providing quarterly progress reports to MARAD on the billing and collection of all fees.
 - (iii) Collection of fees related to other functions performed under this Agreement required under the Commonwealth of Dominica Maritime Law and Regulations and providing official receipts therefore, on forms to be approved by the Government.
 - (iv) Providing to MARAD, semi-annually, records of all Registry, Maritime Corporate Registry and any other related registrations by way of copies in computer readable forms of computer data bases information to enable the Government to verify, confirm and authenticate the reporting information which the Agent is required to provide under the terms of this Agreement.
- (c) Other Functions and Services which shall include:
- (i) Port state control advice and support to MARAD;
 - (ii) Port entry advisory services to vessels of the Dominica Registry;
 - (iii) Provide IMOWATCH to MARAD to assist it in participating in IMO activities;
 - (iv) In consultation with the Government, provide representational services to classification societies, and other maritime organizations;
 - (v) Provide access to ship manning agency services to operators of vessels of Dominica registry;
 - (vi) Provide supplemental pension plan access for mariners and operators of vessels of Dominica Registry;
 - (vii) Provide marketing assistance for the Dominica Regional Maritime Institute.
 - (viii) Provide two (2) Academic Advisors to the Dominica Regional Maritime Institute;
 - (ix) Provide funding for tuition for two scholarships annually to Dominica nationals to the Dominica Regional Maritime Institute.
- (d) Provide access for regular and active oversight by MARAD, pursuant to Sections XIII and Section XVI. DMRI will be set up and operated as a quality organization, using ISO 9000 principles with the ultimate goal of ISO certification.

- (e) Assist MARAD in providing the oversight and services necessary to issue certificates of compliance with international agreements needed by vessels under 500GT owned by Dominican and CARICOM nationals, on the basis of separately negotiated fees. Standards applied by MARAD will be consistent with the standards established by DMRI. Commercial vessels not subject to the Convention for Safety of Life at Sea ("SOLAS"), or other international agreements (e.g., commercial vessels under 500 GT), may be directly registered with the Government. The functions of DMRI under this Agreement do not apply to vessels described in this sub-section except where explicitly stated under this Agreement.
- (f) Any other functions deemed necessary to implement this Agreement effectively, as mutually agreed between the two parties.

1.3 Key activities to be undertaken by DMRI shall include:

- (a) In Relation to the Registry and compliance with IMO instruments accepted by the Commonwealth of Dominica:
 - (i) DMRI will provide oversight and audit of Dominica flag state compliance inspections to be done by recognized class societies pursuant to contracts with DMRI. However, in the case of fishing vessels, yachts, and other vessels not subject to SOLAS, such inspections may be conducted by surveyors as agreed by DMRI and MARAD; and
 - (ii) DMRI will provide oversight and audit of annual Dominica inspections to be done by contracted surveyors in the local port areas.
 - (iii) DMRI will establish a program to oversee classification societies and other surveyors acting on behalf of the Commonwealth of Dominica. Reports will be provided to MARAD regarding the results of this oversight program. Only International Association of Classification Societies (IACS) members in good standing will be recognized to perform statutory surveys and issue international certificates, except in the case of fishing vessels, yachts, and other vessels not subject to SOLAS.
 - (iv) DMRI will ensure that ships subject to international agreements wishing to enter the Dominica Registry meet all applicable international requirements.
 - (v) DMRI will monitor international port state control activities, maintain computer records of the status of the Dominica flag vessels, provide feedback to the owners and operators, and make specific recommendations to owners of vessels as appropriate.
 - (vi) DMRI will provide owners and operators with timely notice of current, pending and revised registry and IMO requirements, as well as other safety and pollution prevention information which, in the discretion of DMRI, would be helpful to the fleet. Owners and operators will be asked to participate in significant IMO and Dominica regulatory initiatives.

- (vii) DMRI will require owners of ships on the registry to demonstrate to DMRI financial ability to assure that their crews will be paid and that ships will not be abandoned to the host Nation when in port in the event of financial hardship.
 - (viii) DMRI will require shipping companies that fit into the profile for targeted port state control inspections to undergo additional survey regimes to be established by DMRI to assist in reducing the likelihood of ships flying the flag of the Commonwealth of Dominica being detained in any port. These survey regimes will be on a fee for service basis.
 - (ix) As necessary, DMRI will provide direction to the class society acting on behalf of Dominica to take corrective action on a specific vessel. In a similar manner, the status record will be used to determine the appropriateness of a vessel's continued acceptability to fly the Flag of the Commonwealth of Dominica.
 - (x) DMRI will promote the use of the Harmonized System of Survey and Certification so that shipping companies will be able to enjoy the least disruption of their shipping operations.
- (b) In Relation to Mariner Certification and Documentation:
- (i) Implement a system for Mariner Licensing, Certification and Documentation that is STCW '95 compliant. This program will be established to evaluate, examine and assess mariner competency and physical health as prescribed by STCW '95.
 - (ii) In cooperation with MARAD, prepare the documentation that is required by STCW '95, Article IV and Regulation I/7, regarding Communication of Information to the Secretary-General of IMO.
 - (iv) Establish an electronic record of mariner training. Access will be provided to shipping companies, flag states, port states, and individual mariners to augment compliance audits. Appropriate password control will be established to make the system secure in all respects.
 - (iv) Provide technical assistance with curriculum development and marketing of a Dominica Regional Maritime Institute.
- (c) In Relation to the Use of Technology :
- (i) DMRI will use state-of-the-art technology to foster significant improvements in Registry business. Registry forms and records will be maintained electronically, permitting most transactions to be done by electronic means.
 - (ii) To aid in monitoring Dominica fleet quality performance, DMRI will maintain and monitor electronic records of flag state and port state inspections and boarding for the fleet of vessels flying the flag of Dominica. Records will be kept by the vessel, by the company and by the classification society.

- (iii) DMRI will develop and maintain a Dominica Registry web page. This page will serve as a major point of entry for those wanting to conduct Registry business or to know of the Registry. It will include other information of value to Registry participants and potential Registry participants. Information will be provided via the Dominica Registry web page to aid in awareness and understanding of Registry and IMO regulatory developments.
- (d) In Relation to Marketing:
 - (i) In cooperation with MARAD, DMRI will develop and conduct a marketing program aimed at making the Commonwealth of Dominica Registry services well known, understood and desired. As part of this effort, the Government will make their new Registry known to IMO, other governments and the international marine community. Funding will be by the Agent in accordance with the annual budget established by Section XIII.
 - (ii) DMRI will implement the Registry program so that it facilitates an active business environment for shipping companies while meeting statutory requirements. Co-operative efforts will be undertaken to reduce the administrative burden of shore-side and shipboard managers and to minimize duplicative inspections, surveys, and verification audits.
 - (iii) DMRI will work with ship operators to establish a co-operative program to improve business processes, communications, and technology improvements.

SECTION II. DESIGNATION OF DMRI AS AGENT OF GOVERNMENT

- 2.1 The Government hereby appoints DMRI as its exclusive agent to administer the open/international ships registry and to provide services to vessels and mariners, except where otherwise provided in this Agreement.
- 2.2 The Government hereby appoints and designates DMRI as its agent for the purpose of aiding it in the effective administration of the maritime program consistent with the Laws of the Commonwealth of Dominica;
- 2.3 The Government, except as otherwise stated herein, hereby appoints the Agent to act as its agent for the purpose of aiding it in administering such rules and regulations as shall be duly made and promulgated by the Government.
- 2.4 The Government hereby appoints DMRI as its exclusive agent to act as the registrar for Foreign Maritime Entities as shall be defined in the Laws of the Commonwealth of Dominica (hereinafter referred to as "Maritime Corporate Registrar"). The Government will ensure that the Agent is accorded the required legal protection for its status as the exclusive Maritime Corporate Registrar, as well as other Registry functions.

SECTION III: MARITIME ADMINISTRATION

3.1 The Government shall:

- (a) Establish a Maritime Administration and a body of marine and environmental laws and regulations necessary to give effect to the Law of the Sea Convention, the IMO Treaty and other international maritime treaties entered into by the Government.
- (b) Include a provision in such laws that allows shipowners which are not Dominican citizens the right to change the registry of their ships to that of their country of citizenship if that nation requests them to do so in times of national emergency.
- (c) Through its Maritime Administration, establish clear cut authority for commercial vessels and marine corporate registry activities to facilitate quick and efficient communication and decision making.
- (d) Appoint two members of the Board of Directors of DMRI of which at least one shall be a senior officer of MARAD. Such representatives shall be ex-officio, non-voting members of the said Board. MARAD shall be responsible for payment of the related expenses.

3.2 To aid the Government in performing its administrative duties in foreign ports, DMRI employees may be appointed by MARAD as Deputy Maritime Administrators.

- (a) DMRI may, at any time, suggest to the Government the appointment of one or more Deputy Maritime Administrators and in such event the Government shall consider the need for such appointment. Such Deputy Maritime Administrators shall undertake only specifically prescribed administrative duties in foreign ports relating to the Registry and the Maritime Corporate Registry ships and maritime entities in accordance with the Laws of the Commonwealth of Dominica.
- (b) All documents, certificates, record books, notices, publication, etc., issued under the authority of the Office of the Maritime Administrator must bear the same nomenclature and seal of that office.

SECTION IV. APPOINTMENT OF DEPUTY MARITIME ADMINISTRATOR FOR FINANCIAL AFFAIRS

- 4.1 In order to facilitate the objectives of this Agreement and the proper administration and allocation of expenditures and funds passed on to Government, Government may appoint a Deputy Maritime Administrator for Financial Affairs. Such Deputy Administrator shall work within the Agent's organization and report directly to MARAD. Funding shall be the responsibility of the Government.
- 4.2 The functions of the Deputy Maritime Administrator for Financial Affairs shall include, but not be limited to, the following:

- (a) assisting in ensuring that all Agency actions are executed in accordance with this Agreement and the policies of the Government;
 - (b) reviewing all accounts and invoices, and all maritime revenues and cash receipts;
 - (c) reviewing all sub-agency contracts and ensuring that they are submitted to the Administrator for approval;
 - (d) reviewing all records maintained by the Agent and ensuring that there is adequate record keeping;
 - (e) apprising the Government regularly of activities under this Agreement; and
 - (f) such other duties as mutually agreed between the Government and the Agent.
- 4.3 The Agent agrees to provide such Deputy Maritime Administrator with all appropriate courtesies and office space and administrative support.
- 4.4 The Agent agrees to make its operations transparent to the Deputy Maritime Administrator and to ensure that all mechanisms are put in place to aid such transparency, so as to facilitate the effective performance of the duties under this section.

SECTION V. APPOINTMENT OF AN ADVISER FOR POLICY AND TRAINING

- 5.1 DMRI shall, **at the request of the Government**, provide an Adviser for Policy Development and Training to work within the Maritime Administration and report directly to the **Maritime Administrator**. Funding shall be the responsibility of the Agent.
- 5.2 The Adviser for Policy Development and Training functions shall include, but not be limited to, the following:
- (a) Assisting MARAD in development of maritime regulatory policy and procedures;
 - (b) Providing local, on-site training on maritime regulatory matters to MARAD staff;
 - (c) Providing local, on-site training on port state control matters to Dominica port state control officials and assisting such officials as may be deemed necessary by MARAD;
 - (d) Providing the liaison duties between MARAD and the Agent's senior operating official;
 - (e) Providing IMO support as necessary to MARAD; and
 - (f) such other duties as mutually agreed between the Government and the Agent.
- 5.3 Government agrees to provide such Adviser with all appropriate courtesies, office space and administrative support.

SECTION VI. REVENUE SHARING

6 Fees collected by DMRI pursuant to Section I, excluding fees received pursuant to Section VII, shall be shared with the Commonwealth of Dominica in accordance with Table I. As the gross revenues increase, the Government's return will increase as noted below.

Table I

Gross Revenues	Percentage	Period
0 - 10,000,000 (\$US)	13.5%	Year 1 - Year 5
10,000,000 - 20,000,000 (\$US)	15%	Year 5- Year 8
20,000,000 - 30,000,000 (\$US)	16.5%	Year 8 - Year 11
30,000,000 - Above (\$US)	18%	Year 11 - Indefinite

* for illustration purposes only.

SECTION VII. ASSESSMENTS FROM THE INTERNATIONAL MARITIME ORGANIZATION AND MARITIME RESPONSIBILITIES OF THE GOVERNMENT

7 Monetary assessments and related expenses of governments and members of the various international organizations to which the Government belongs and which relate to the Registry shall be paid as follows :

- (a) The Government shall pay contributions currently or as may hereafter be assessed to Dominica by the IMO from fees related to IMO participation assessed to each ship owner. Such fee shall be established by regulation issued by MARAD and maintained by the Agent in a separate dual signature depository account, hereinafter referred to as the "IMO Account". The signatories to which shall be one representative each of the Government and the Agent.
- (b) Funds from the IMO Account shall also be used, to the extent available after assuring compliance with section 7(a), for the following:
 - (i) Expenses relating to participation of Government at IMO and ILO meetings and conferences at which MARAD agree the Government should be represented. A projected schedule and budget will be developed by MARAD with the assistance of DMRI; and
 - (ii) Other related expenses as mutually agreed between the two parties.

SECTION VIII. DMRI'S HANDLING OF MARITIME FEES

8.1 The handling by DMRI, and transfer from the Agent to the Government of the Government's share of revenues as defined in Section VI shall be as follows:

- (a) Upon receipt, the Agent will promptly deposit such share of revenues into a special account in a major United States national bank (hereinafter called the "Maritime Special Account") bearing interest at the highest legally permissible rate offered by such bank for such an account. The interest relating to such account will be split in proportion to the sharing formula as defined in Section VI. As soon as practicable, but not less frequently than once a week, the revenue due and owing to the Government in accordance with the sharing formula noted in Section VI (hereinafter "Government Revenue") from the said Maritime Special Account will be paid to a special account maintained in the name of Government (hereinafter the "Government Account") and to be under the sole control of the Government.
- (b) The Agent shall instruct the bank noted above to make records of the Maritime Special Account and the IMO Account (as defined in Section VII) available to the Government at the same time that they are provided to the Agent.
- (c) Each payment of Government Revenue to the Government Account shall be accompanied by a list of the corporations for whose account payment of the annual corporation registration fee has been included. There shall be transferred to the Agent from the Government Account any amount of funds owing to the Agent for services made on behalf of the Government for services performed outside the scope of this Agreement. This amount will be agreed between the Government and the Agent and transferred on the authorization of Government.

8.2 There shall be paid to MARAD an administrative fee for any functions, service, or assistance received by DMRI from the Government. Such fee shall be determined during the annual budgeting process, referred to in Section X and shall be paid to MARAD.

8.3 All fees paid to the Agent are to be paid in United States dollars.

SECTION IX. FINANCIAL MATTERS OF DMRI FOR ALL MARITIME RELATED SERVICES

- 9.1 The Agent shall pay all administrative and overhead costs, of whatever nature, relating to performing all delegated services. These costs shall be covered by the revenue received by the Agent pursuant to Section VI.
- 9.2 For the purpose of this entire Agreement, under no circumstances shall the Agent be required to advance its own funds, or commit its credit, to pay any of the expenses or discharge the obligations which are to be paid from fees or other funds provided by the Government. While not required, at times by special arrangements, the Agent may agree to pay fees and costs for legitimate Government expenses to be later deducted from the share of the funds deposited in the Government account. Such arrangements including the method of recovery described herein, shall be consented to in writing by both the Government and the Agent and the accounting records shall clearly reflect such payment.

SECTION X. DETERMINATION OF DMRI'S ANNUAL BUDGET

- 10.1 An annual budget detailing all projected revenues and expenditures shall be prepared by November 1 by the Agent, with the assistance of MARAD. The budget shall include fees and expenses related to performing the services required by this Agreement.
- 10.2 Failure to comply with this provision except where such failure arises from circumstances beyond the control of the Agent shall constitute a breach of this Agreement.

SECTION XI. OVERSIGHT, RECORDS, REPORTS AND INSPECTIONS

- 11.1 Pursuant to this agreement, DMRI will provide access for regular and active oversight by MARAD.
- 11.2 The Agent and any of its Permitted-assignees, as defined in Section XII, shall maintain at their principal offices complete, accurate and systematic financial records of their worldwide operations pursuant to this Agreement and such books of account and other financial records of such operations as may be required by law. The books and records of the Agent and its Permitted-assignees which pertain to the maritime program shall be subject to review by Government during regular business hours and upon reasonable notice. These books of account shall be kept in accordance with Generally Accepted Accounting Principles ("GAAP"), shall show all of the Agent's revenues and expenditures from its worldwide operations pursuant to this Agreement, and provide for a clear understanding of all financial aspects of such operations. The balance sheets and profit and loss statements of DMRI shall be kept in U.S. dollars.
- (a) The Agent shall cause its books of account referred to above to be audited promptly after the close of each fiscal year by an independent auditor selected by DMRI and mutually agreed to by the Government and the Agent. A copy of such annual financial statement, as certified by said auditor, shall be furnished to the Government and the Agent within six (6) months after the close of each fiscal year. Government shall have the right to freely discuss with the said auditors the results of such audit and certification, and the Agent shall take all reasonable measures to ensure that they cooperate with the auditors to the maximum extent.
- (b) At Government's written request, the Agent shall have such auditors or other mutually agreed recognized auditors perform any other specific accounting, financial or management review of the maritime program operations, with the cooperation and assistance of the Agent and any of its Permitted-assignees. All such audit expenses shall be equally shared between the Government and the Agent.
- (c) Upon the request of the Government, the Agent or its Permitted-assignees or any organization involved directly or indirectly in the maritime program shall grant to Government's auditors full privilege to audit the complete books, records, documents, accounts, and other material that the auditors

may deem relevant to the maritime program. Such audit shall be at the expense of the Government.

(d) Government may at any time inspect:

- (i) The books and records of the Agent, and those books and records of any Permitted Assignees related to the maritime program kept pursuant to this Agreement wherever such books and records may be located,
- (ii) All operations of the Agent and or any of its Permitted-assignees under this Agreement, wherever such operations may be carried out, and

The Agent shall make all arrangements to facilitate such inspections and make its appropriate employ available to render assistance with respect to any such inspector.

11.3 Except for any information required by the laws of the Commonwealth of Dominica, Government shall treat all information supplied by the Agent as confidential and shall not reveal such information to third parties except with the Agent's consent.

SECTION XII. RESTRICTIONS ON CERTAIN TRANSFERS OF SHARES IN DMRI AND PERMITTED ASSIGNEES OF DMRI

- 12.1 For the period of this Agreement, voting rights or equity interest exercisable by the Agent or vested in any corporation subject to the provisions of Section 15 hereof (herein collectively referred to as "Permitted-assignee") shall not, without Government's prior written approval which shall not be unreasonably withheld, be assigned or issued to any person. However, nothing in this Agreement shall be construed as prohibiting any of the original shareholders of DMRI transferring shares among themselves in their sole discretion at any time. However, in the event of an offer being made and not accepted, an offer on the same terms shall be made to the Government.
- 12.2 Notwithstanding the foregoing, the Agent agrees that in any event it shall give the Government written notice within thirty (30) days of any transfer or assignment of shares by any of the original shareholders of DMRI.
- 12.3 The Agent or any of its Permitted-assignees shall not, however, be prohibited from making a pledge to a recognized financial institution of a controlling interest in DMRI to secure the payment of debt incurred in good faith subsequent to the Effective Date, provided the creditor-pledgee has no, and can have no, proxy right to vote or to exercise any control over the equity interest in or stock of the Agent or Permitted-assignee which has been pledged.

SECTION XIII. COOPERATION OF PARTIES

13.1 The Agent shall be entitled to request and to receive from Government all reasonable cooperation in the prosecution of any and all claims arising out of any

nonpayment of any fee to be collected by the Agent by the exercise, after consultation with the Government, of appropriate legal remedies. All expenses in connection with any such claim shall be borne by the Agent.

13.2 Copies of all official documents executed by MARAD or any Deputy Maritime Administrator, the public dissemination or promulgation of which are necessary in the discharge by the Agent of its maritime services hereunder, shall be filed with the Agent.

13.3 Commonwealth of Dominica Flag Shipping

- (a) The Government and the Agent, being cognizant of the Dominica maritime program, its overall importance to the Commonwealth of Dominica economy as a whole, and of the Commonwealth of Dominica international relations, recognizes that the continuing protection and promotion of the Commonwealth of Dominica flag shipping is and will continue to be of vital importance to Commonwealth of Dominica. As such, the parties shall endeavor to maintain close communication, timely advice and ample consultation between themselves respecting all matters affecting Dominica's flag shipping and the Agent's activities with respect thereto.
- (b) The parties agree to act at all times in a manner consistent with the objectives of the provisions of Section 13.3(a) above.
- (c) The Agent or any of its Permitted-assignees shall not make any public statement, written or oral on behalf of Government, or enter any arrangement with any party on behalf of Government without first obtaining the express approval of the Government.

SECTION XIV. TERMS OF AGREEMENT AND PERIODIC REVIEW

- 14.1 The term of this Agreement shall commence on the Effective Date and shall continue until September 30, 2029.
- 14.2 Without prejudice to the foregoing, at the request of either party, but not less than every three (3) years following the Effective Date of this Agreement, without interrupting the fulfillment of their obligations hereunder, the parties shall, in good faith, consult together in the Commonwealth of Dominica, or such other place as shall be agreed upon (without substantial interruptions in such consultations) for the purpose of considering any change or clarification of this Agreement which either party deems to be appropriate.
- 14.3 Specifically, every three (3) years following the operational date, with an initial review within the first eighteen months of operation, the fees and revenue sharing between Government and the Agent shall be revisited to determine if the agreed Revenue Sharing continues to be fair and equitable and to make mutually agreed adjustments as appropriate.
- 14.4 If either party is desirous of renewing this Agreement at its expiration, that party shall provide the other with formal written notice of its intention to do so no later than January 30, 2026, except in the case of termination under Section XX. At the expiration of the term of this Agreement, the Government has the right of first refusal relating to the purchase of DMRI.

SECTION XV. ENCUMBERANCES, ASSIGNMENTS AND SUBLETTNG

- 15 (a) This Agreement shall not be assigned, in whole or in part, by the Agent nor shall the Agent delegate or subcontract to others any of the responsibilities, duties or services herein undertaken by the Agent without the written consent of the Government, whose consent may or may not be given, in the sole discretion of the Government.
- (b) No such permitted assignment, subcontract or delegation shall be valid until and unless any Permitted-assignee or subcontractor agrees:
- (i) to be bound by the relevant provisions of this Agreement; and
 - (ii) that agreements (other than routine day-to-day contracts of a minor value) entered into with any organization with respect to the delivery or support of the maritime program services to be funded by Government, shall be formally defined by contract and approved by Government;
- (c) Any permitted assignment, subcontract or delegation shall not relieve or release the Agent from any of its obligations and liabilities under this Agreement.

SECTION XVI. PLACE OF OPERATION, FILINGS, AND NOTICES

- 16.1 DMRI will operate from a headquarters in the Washington, D.C. area. Other offices will be established as part of the contractual arrangement with ship surveyors that will conduct the statutory and governmental surveys. The decision to open additional operating locations will be determined by the shipping patterns of the ships placed under the flag of Dominica.
- 16.2 The Agent hereafter agrees that it will give Government notice of any filing, submission or registration with any government authority which may be required because of its activities herein.
- 16.3 All notices, requests, reports, approvals, or designations (collectively referred to herein as "Communications") required by, this Agreement should be in writing. All Communications shall be delivered by:
- (a) In the case of the Government, to: The Government of the Commonwealth of Dominica, Government Headquarters, Kennedy Avenue, Roseau, Commonwealth of Dominica, Attention: Maritime Administration or such department or agency as may be designated in writing by the Government.
 - (b) In the case of the Agent, to: Commonwealth of Dominica Maritime Registry Inc., 955 L'Enfant Plaza, SW, Suite 1100, Washington, D.C. 20024, Attention: Norman W. Lemley, or such other representative as may be designated in writing by the Agent.
 - (c) A delivery of a communication shall be deemed effective wrapped in a first class postage prepaid envelope for mailing properly addressed to the person or place indicated above and deposited with the Post Office of the Commonwealth of Dominica or the United States; provided, however, that formal communications, such as demands or notices of default, as

distinguished from routine communication, shall be considered effective only when actually received.

- 16.4 Nothing in this Section is to be deemed to relieve the Agent from filing any report, return or other communications in accordance with the Laws of the Commonwealth of Dominica.

SECTION XVII. NON-WAIVER AND NON-BINDING EFFECT OF ANY MENTION OF AGENT IN MARITIME REGULATIONS OR LAW

- 17.1 The failure of any party at any time to require performance by the other party of any provision herein shall in no way affect the right of that party thereafter to enforce the same nor shall it affect the party's right to enforce any other provision of this agreement, nor shall it constitute a waiver by either party of the breach.
- 17.2 Any mention of the Agent or any assignee in any publication not confer on the Agent or its assignee any rights or additional obligations under this Agreement.

SECTION XVIII. RESTRICTION CLAUSE

- 18 (a) The Agent hereby represents that both itself or any company in which anyone of its shareholders own more than thirty percent has not, and shall not, at any time, either directly or indirectly, support, encourage, or indulge in the formation, establishment, financing, ownership or maintenance of a same or related business, including the administration of a maritime program for any other government, during, and for a period of seven (7) years after, the term of this Agreement and any and all extensions.
- (b) The Agent shall also forbid by written agreement senior personnel in its employ from divulging any confidential information in relation to the Government's maritime program. The Agent further agrees with Government that in the case of a breach thereof by any of its senior personnel, the Agent shall institute legal proceedings for damages with the cooperation of the Government and shall not reemploy such a person in any of its operations without Government's prior approval.

SECTION XIX. GOVERNING LAW AND ARBITRATION AGREEMENT

- 19.1 This Agreement shall be governed, construed and interpreted only in accordance with the laws and jurisprudence of the Commonwealth of Dominica. Any and all matters arising out of this Agreement will be adjudicated in the Commonwealth of Dominica, unless the parties agree to an alternative forum, with the court applying applicable Commonwealth of Dominica law. Both parties hereby expressly agree to submit to and accept the jurisdiction of the court selected pursuant to this section.
- 19.2 Each party shall advise the other of any substantial difficulties which it may encounter with respect to operating under this Agreement, or any substantial

dissatisfaction with the performance of the other so that to the extent possible, any problems may be resolved in an amicable manner by mutual agreement. Nothing herein shall be construed to provide any requirement that must be satisfied prior to the implementation of the procedures set forth in Section 19.3.

- 19.3 Any dispute arising under this Agreement shall be resolved in accordance with the Arbitration Act, Chapter 4:50 of the Laws of the Commonwealth of Dominica.

SECTION XX. RIGHT TO TERMINATE

- 20 The Government may terminate this Agreement when any of the following events occur:
- (a) If the Agent fails to comply with any material provision of this Agreement, or breach any representations made in this Agreement;
 - (b) In respect of its business, if the Agent;
 - (i) shall voluntarily dissolve, liquidate or wind up affairs; or makes an assignment for the benefit of creditors; or
 - (ii) shall petition or apply to any tribunal for the appointment of trustees or receivers, or of any substantial part of its assets; or
 - (iii) shall commence any proceedings relating to it under any bankruptcy, reorganization, arrangement, insolvency, or readjustment of its debt in any jurisdiction or if any such petition or application is filed, or any such proceedings are commenced against it and it indicates its approval or consent thereto, or acquiescence therein or if an agreement is entered into appointing any such trustee or receiver or it is adjudicated to be bankrupt or insolvent, or permits any such order to remain in effect for more than sixty (60) days.

SECTION XXI. EFFECTIVE DATE

- 23 Following the execution hereof, this Agreement shall become effective on October 1, 1999.

SECTION XXIV. ORGANIZATIONAL DATE

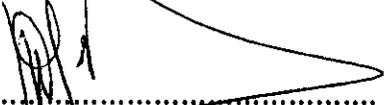
- 24.1 The Organizational date of the Agreement shall be March 1, 2000.
- 24.2 By such Organizational Date, DMRI will have in place appropriate capitalization; resources; management, technical, and legal team members having the requisite management, marine safety, pollution prevention, technical, regulatory, and ship registry knowledge and experience; and office space needed for initial implementation of this Agreement. DMRI shall inform MARAD of all such activities for MARAD's review and approval, which shall not be unreasonably withheld.
- 24.3 By such Organizational Date, and with the assistance of DMRI, the Government shall have:
- (a) established a Maritime Administration with requisite organization and authority to carry out this Agreement;

- (b) adopted relevant laws and regulations necessary to carry out IMO and international maritime treaty obligations as well as authorities needed to establish and operate the Registry;
- (c) Inform IMO of plans to establish a the Registry and filed with IMO all requisite notices and documents;
- (d) Delegate to the appropriate classification societies functions needed for issuance of certificates needed to comply with IMO treaties.

SECTION XXV. OPERATIONAL DATE

25 The operational date shall coincide with the beginning of DMRI's first fiscal year, that is the date when DMRI begins collecting revenues and making expenditures pursuant to this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the dates hereinafter written



JULIUS C TIMOTHY
MINISTER FOR FINANCE, INDUSTRY AND PLANNING
FOR AND ON BEHALF OF
THE GOVERNMENT OF THE COMMONWEALTH OF DOMINICA

Signed this 15th day of September, 1999

.....
WITNESS

.....
NORMAN W. LEMLEY, PRESIDENT

.....
ERIC R. DAWICKI, SECRETARY, TREASURER

FOR AND ON BEHALF OF THE COMMONWEALTH OF DOMINICA
MARITIME REGISTRY INC.

Signed this day of September, 1999

.....
WITNESS