

MINUTES of the EXTRAORDINARY MEETING of CHIEF PLEAS

Held in The Assembly Room, Sark on 2nd July 2008 at 7.00 pm.

Present: Miss B.C. Bell, Deputy Seigneur; Lt.Col. R.J. Guille MBE, Seneschal; A.W.J. Adams, Prévôt; T.J. Hamon, Greffier; Mrs. W. Kiernan, Treasurer; and the Constables.

Members were present at the roll call as follows: **28 Tenants and 12¹ Deputies** (Appendix 1)

Apologies: Mdm. Thorpe, Sieur Harris, Sieur Jackson.

¹ Deputy Melling withdrew from the meeting at the commencement of Item 14A

Opening Remarks

- a The Seneschal informed the House that six Tenants had nominated representatives to stand in their stead; Mdm. Snelling (Mr. Bird), Mdm. Drawmer (Mr. W. Rang), Sir F. Barclay (Ms. McDermott), Sir D. Barclay (Mr. Dawes), Sieur Willis (Dr. Henry) & Sir P. Miller (Ms. Birch).
- b Deputy Olsen informed the House that he and Deputy Richard Dewe have, by election of the Committee, exchanged roles on General Purpose & Advisory. Deputy Dewe continues on the Committee as Vice-President and Deputy Olsen has been elected President. Deputy Olsen took the opportunity to record the Committee's thanks for Deputy Dewe's leadership, appreciating his depth of knowledge, diligence of research and the wealth of experience which he brings to the Committee not only these past nine months but also during his previous tours of duty at this station.

1 Minutes of the Extraordinary Meeting on 20th May 2008

- 1.1 Sieur Delaney Page 9, Para. 10.12 – Asked that the minutes be changed to say –
Asked for someone to elaborate on the reasons.....

With that one edit the minutes were **APPROVED** by the House.

The Seneschal invited any matters arising from the minutes but there were none.

2 Questions not related to the Business of the Day

A series of questions (1-6) had been submitted to the **President of the General Purposes and Advisory Committee by Sir David and Sir Frederick Barclay.**

The questions were read out by Deputy Olsen followed by his written answer.

After each question the Seneschal invited any supplementary questions.

Question 1 - *Is the GP&A Committee aware whether, and if so, to what extent, activities described as "the Sark Lark" continue to be carried on in the Island of Sark?*

Answer – First, the Committee asked for a definition of "Sark Lark" but did not receive a response.

In the absence of a definition, we are taking "Sark Lark" to refer to multiple directorships held by unsuitable persons and/or accommodation addresses used for deceptive or fraudulent purposes.

Directorships are regulated by the Regulation of Fiduciaries legislation, in place from April 2001. To act contrary to these laws is an offence and attracts both civil and criminal penalties. The False Documents and Domicile legislation from 1998 criminalises deceptive conduct.

The Committee is not aware of any so-called "Sark Lark" activities occurring on Sark.

If violations are suspected, residents are welcome to communicate concerns in writing to GP&A informally or formally if you have evidence of violation to the Guernsey Financial Services Commission (GFSC).

The GFSC is responsible for regulating our financial sector and has authority especially in this regard.

Other points of reference are the Constables and HM Procureur.

Question 2 - *Does any Sark or Guernsey government body know how many fiduciary businesses are operating on Sark?*

Answer – The information is public and is published at www.gfsc.gg.

Question 3 - *Does any Sark or Guernsey government body know who operates these businesses? Is there a register available for public inspection and, if not, why not?*

Answer – The information is public. The GFSC publishes the register at www.gfsc.gg

Question 4 - *What is the economic benefit to Sark, if any, of permitting fiduciary businesses to be operated from Sark?*

Answer – GP&A believes that all legitimate and successful business on Sark contributes to the local economy and that the individuals owning or employed by those businesses therefore contribute to the Sark Treasury through the Property and Personal taxes.

Question 5 - Does the GP&A committee agree that the carrying on of the "Sark Lark" is harmful to the interests of Sark and likely to undermine Sark's autonomy through the unwanted attention such activities attract from the Island of Guernsey and other, larger, jurisdictions?

Answer – The Committee has not recently adopted this view *verbatim*, but the Committee has a strong record in favour of regulation, supervision and accountability. The Committee has advised Chief Pleas and continues later in tonight's agenda to advise Chief Pleas to support the regulation of financial and related businesses. Sark does not want to attract the wrong kinds of people or businesses but neither do we want to overburden bona fide Sark residents with complicated and costly regulation.

Question 6 - Would GP&A please consider whether to bring forward legislation prohibiting the carrying on of activities identified with the "Sark Lark" in or from the Island of Sark?

Answer – If you would please define those activities for Chief Pleas and if Chief Pleas then directs GP&A to bring forward appropriate regulating legislation, GP&A will proceed according to the wishes of Chief Pleas. Chief Pleas may, however, wish to ask Finance & Commerce Committee to undertake such study as there may be an opportunity to create benefit for the Sark Treasury.

Chief Pleas should consider that if Sark undertakes its own financial services laws then Sark will need to consider the costs and difficulties of managing a Sark specific regime. Sark would need to deal directly with international regulatory bodies such as the IMF and probably with "major players" such as the US Treasury Department.

- 2.1 Mr. Dawes Considered that GP&A Committee should be aware of individuals who have multiple directorships.
- 2.2 Seneschal That question has already been answered by the Committee.

Question 7 - to the President of GP&A from Sieur Rossford de Carteret - Would GP&A please let Chief Pleas know what progress has been made on making criminal records checks mandatory? We discussed this in July 2007 and some sort of progress report would be appreciated; also, is it not time for work permits, which would also have checks, to be made compulsory?

Answer – It's complex, but the short answer is that we are focusing on a Work Permits Ordinance that will make criminal records checks mandatory and hope to have a report with propositions at the Michaelmas meeting. New primary legislation, a *Projet de Loi*, will be needed before criminal records checks can be considered for more than employees.

In the meantime, the Committee is writing to all employers to remind them of and stress the importance of our current voluntary system. We understand that the vast majority of employers are cooperating 100% but there may be one or two or three individual cases that have slipped through the cracks.

- 2.3 Dep. Olsen Had received draft Ordinances this afternoon from the Law Officers, which the GP&A Committee will study and produce a full report for the Michaelmas meeting.
- 2.4 Dr. Henry Do we know of any slippage through the net and if there are any, are we permitted to know who they are and for whom they work?
- 2.5 Dep. Olsen Understood there were three employers who had not gone through the process.
- 2.6 Sieur Gomoll Expressed concern that although the commencement Ordinances may be drafted, they were applying to a Law that is now more than 20 years old and which really needs to be assessed to see whether it is still applicable in its current form.
- 2.7 Sieur Delaney Had no problem with the voluntary code and any shortcomings on his part were down to administrative error. He certainly supported the code and had no wish to avoid the system.
- 2.8 Dep. Olsen Was aware that one employer had an effective way of administering the system; employees did not receive their first pay packet until the check form had been completed.

Question 8 –

to the President of Finance & Commerce Committee from Harbours & Pilotage Committee -

With reference to the rebuilding of the Maseline Jetty, the Harbours Committee wish to ask the Finance & Commerce Committee whether, on this occasion and with Chief Pleas' approval, the requirement to seek tenders can be waived in order to acknowledge the goodwill given so far, to keep costs within the estimated limits, to integrate local labour into the work required and to retain the preferred company to carry out the project?

Answer – F&CC appreciate the advantages of retaining the company already involved in this project and will consider the tender process being waived on this occasion, on the understanding that the Harbours & Pilotage Committee monitors expenditure and progress to ensure the project is delivered within budget and on time. Through the President, F&CC ask whether Chief Pleas is satisfied for the tendering process to be waived, to enable the company to be formally appointed and for the preparation work to continue towards implementation during October 2008?

- 2.9 Mlle. Perrée Recalled that Sieur Delaney had offered to assist with this project and shouldn't he be listened to and his advice accepted.
- 2.10 Sieur Rang He is and is involved.
- 2.11 Seneschal The Committee are looking for an endorsement from Chief Pleas to go ahead with the existing company and he asked for a show of hands.

The issue was put to the vote and the House **AGREED to waive the necessity for tender in this instance.**

- 2.12 Sieur Perrée Is the Committee certain it can stay in budget?
- 2.13 Sieur Rang Quoted the figures accepted by Chief Pleas at the Christmas meeting of £75,000 from reserves with a £15,000 contingency, giving an overall budget of £90,000.
- 2.14 Dep. Le Lievre The direction in this answer is to stay within in budget and by using this company the Committee has the flexibility to make savings and is directly involved in buying materials, providing staff and undertaking demolition, all of which will keep cost within bounds.
- 2.15 Sieur Gomoll Was concerned that this issue was raised in this way and whilst accepting the outcome he was concerned over the procedure adopted.
- 2.16 Seneschal Reminded those submitting questions that this last example and that in the last meeting about accommodation permits, were a misuse of the system and asked that in future, Committees submit proper reports on such subjects in time for inclusion on the agenda in order that Members of Chief Pleas can consider the issues ahead of the meeting.

3 General Purpose & Advisory Committee Report with a Projet de Loi and Proposition

The Aviation (Bailiwick of Guernsey) Law, 2008

- 3.1 Dep. Olsen This one has taken many hours of reading and making notes on two drafts, three meetings with Guernsey officials and throughout all that, it's been necessary to remind everyone that this is not the same as the "helipad" application in front of Development Control Committee nor is it Sark versus Guernsey over sovereignty. It's about transferring jurisdiction over Bailiwick airspace from the UK to the Bailiwick and it's about claiming that jurisdiction now because the UK is planning to turn over everything involving aviation to the European Union. The UK is signing up to a European programme organised as the new European Aviation Safety Agency, leaving future foundation legislation and rules creation to the EU and the new agency. Through the discussions, we have achieved the legal requirement that Guernsey must consult with Sark whenever Sark may be affected (not included in earlier drafts) and we have agreement to negotiate exactly what that consultation process shall entail; the procedure and assurances will be laid before Chief Pleas for approval hopefully at Michaelmas. GP&A recommends this Projet to ensure Sark retains an independent voice in Guernsey led Bailiwick Law, an improvement on existing UK control and the potential loss of any influence should that control pass to Europe. Deputy Olsen had received confirmation this morning from Mr Fergus Woods, the Director of Aviation in Guernsey, of his commitment to develop a framework for consultation as required in Section 4 (2)(c)(ii) of the Law. He recognises that this section places a clear requirement on him to consult through the GP&A Committee on any aspect of his functions that could affect Sark. He gives assurance now that he will develop appropriate processes for that consultation at the earliest opportunity. Deputy Olsen explained that the issues affecting Sark will be enshrined in secondary legislation by Ordinance. If this fails, Sark still has the power to annul any commencement Ordinance.
- 3.2 Sieur Raymond Had two issues, the one concerned overflying Sark and minimum height restrictions, the other was the power over the provision of aerodromes. Both are in the hands of an alternative jurisdiction and not embodied in this Law. He felt very uncomfortable with that.
- 3.3 Mr. Dawes This is yet another instance of Sark giving over legislation to the States of Guernsey. Perhaps by the very nature of the subject it is inevitable in this case. The consultation opportunity is accepted but the Ordinance making provisions in the Law are very extensive. Although Chief Pleas can annul legislation the four months clause is still applied and this could be overlooked. The drafting should be positive and not by default. He asked GP&A Committee to be vigilant.
- 3.4 Dep. R. Dewe Confirmed that the Committee was vigilant and monitored the regular Billet D'États issued by the Bailiff in Guernsey.
- 3.5 Sieur Gomoll Supported Sieur Raymond's concerns; the issues had been subject of hard debate in the GP&A Committee. The Ordinance making powers is a compromise but at some stage Chief Pleas must make a stand if it is not to be perpetuated in future.

- 3.6 Dep. Olsen The airspace above Sark is owned by Sark; this and other interesting information was gleaned by a delegation from GP&A which visited the airport last week and met with all the senior officials involved in aviation issues.
The primary reason for this Law is moving the responsibility for aviation issues from the UK to the Bailiwick rather than transferring it on to the European Union. Do we want Brussels to regulate for Sark instead of London or would we rather work alongside Guernsey?
There are fewer waves in this legislation and all powers to amend the Law by Ordinance have been removed. The Committee will return at Michaelmas with a formal agreement between Sark and Guernsey and Chief Pleas will have the power to consider the outcome.
- 3.7 Mlle. Perrée Had always believed that one cannot overfly Sark.
- 3.8 Dep. R. Dewe There is a three nautical miles (nms) restricted area centred on Clos de Dixcart in which aircraft may not operate below 2,400 feet. This was original introduced to stop aircraft landing on Sark. That restriction carries on regardless of this new Law.
- 3.9 Sieur Gomoll Questioned the need for aircraft to overfly Sark at all.
- 3.10 Dep. Olsen As explained on the recent visit to air traffic control in Guernsey there are a number of conflicts which have to be taken into account when routeing aircraft. The Guernsey Airport runway projection runs over the top of Sark. Before commencing descent on the glidepath the aircraft must stabilise (line-up) on the localiser. The Instrument Landing System (ILS) glidepath rate of descent is 305 feet per mile. Outside 10nms the aircraft can be at 3,000 feet, inside 10nms 2000/2500 feet. The western edge of the Sark restricted area is seven miles from the runway, so tolerances are tight. When there is a low cloud base or weather conditions are severe, the problems increase. Safety is paramount and is the prime consideration above all else.
- 3.11 Mr. Dawes Accepted the 2,500 feet restriction.
- 3.12 Sieur Harrison Corrected that to roundly 2,400 feet and did have concerns over the imposition such a restriction placed on aircraft movements in the area.
- 3.13 Mr. Dawes Returned to the Law and identified Section 178.1 on Page 231 and quoted – *Any Ordinance, or subordinate legislation under this Law – (a) may be amended, repealed or revoked by subsequent legislation etc.....*
- 3.14 Dep. Olsen Accepted that rules and regulations can be changed but the amending capacity is for certain sections only, none of which have a direct bearing on Sark. He remained satisfied with the consultation procedures that are to be set-up with the Director of Aviation.

Proposition - CARRIED.

That Chief Pleas approve *The Aviation (Bailiwick of Guernsey) Law, 2008.*

After Note A fuller answer than was given at the meeting is shown below and is compiled from information supplied by Air Traffic Control on the recent visit to Guernsey Airport. It is included now for the benefit of Members and consequently had no direct influence on the outcome of the voting on this proposition.

Unlike some major airports where the aircraft in use are similar and compatible, in Guernsey the different types of aircraft and the variable speeds at which they travel can cause conflicts of movement. The corridor for aircraft travelling between Jersey and the UK parallels the French coast, again squeezing the available air space to manoeuvre flights into Guernsey.

The routeing of aircraft from South-East England can also vary depending on how busy it is there and some are routed over France and diversion to avoid Sark is then impossible. Finally, the number of aircraft movements has increased in and out of Guernsey again requiring greater flexibility of control.

4 General Purpose & Advisory Committee Report with a Projet de Loi and Proposition

The Financial Services Commission (Bailiwick of Guernsey)(Amendment) Law, 2008

- 4.1 Dep. Olsen Introduced the report emphasising the basic purpose of the legislation was to remove “the development of the finance industry” from the original 1987 Law. The FSC can now focus on regulating and overseeing the finance industry.

Proposition - CARRIED

That Chief Pleas approves *The Financial Services Commission (Bailiwick of Guernsey)(Amendment) Law, 2008*

5 General Purpose & Advisory Committee Report with a Projet de Loi and Proposition

The Financial Services Commission (Bailiwick of Guernsey)(Amendment)(No.2) Law, 2008

- 5.1 Dep. Olsen Introduced the report explaining that the basic thrust of the change was to clarify both the mandate of the FSC and the Policy Council's relationship with the FSC. Any guidance and direction given by the Policy Council would be published to increase transparency.

Proposition - CARRIED

That Chief Pleas approves *The Financial Services Commission (Bailiwick of Guernsey)(Amendment)(No.2) Law, 2008*

6 General Purpose & Advisory Committee Report with a Projet de Loi and Proposition

The Charities & Non-Profit Organisations (Enabling Provisions)(Bailiwick of Guernsey) Law, 2008

- 6.1 Dep. Olsen Explained that the purpose of this Law is to safeguard against possible misuse of charities and non-profit organisations (NPO) being used for money laundering or for terrorism purposes. Sark will report annually and that procedure will be drafted by Ordinance at a later date. All Ordinances under this Law will have to be approved by Chief Pleas and there is explicit provision for Sark to annul an Ordinance with respect to Sark should Chief Pleas require it.
- 6.2 Mr. Dawes Complained that this was another instance of Guernsey regulating on Sark's behalf and giving over powers that could have potential implications on Sark's charities. Any future subordinate legislation introduced by Guernsey was a declaration of creeping legislative independence. This is the wrong way round; ordinances do not have to have Chief Pleas' approval they can only be annulled within four months of their introduction by Guernsey.
- 6.3 Sieur Gomoll Was concerned for those fund-raising on Sark and those giving to local charities. They want to see 100% of their contributions going to the good cause not into the pockets of lawyers or auditors. We do not need this Law.
- 6.4 Dep. R. Dewe GP&A Committee is vigilant in monitoring the introduction of legislation through Guernsey which forwards copies for consultation well ahead of their being considered by the States. The logistics of the four months is based on the new pattern of Chief Pleas' meetings every three months, one of which will always be by a date an Ordinance can be annulled or supported.

Proposition - LOST

That Chief Pleas approves *The Charities & Non-Profit Organisations (Enabling Provisions)(Bailiwick of Guernsey) Law, 2008*

- 6.5 Seneschal Informed Chief Pleas that on Wednesday 25th June the States of Guernsey approved *The Charities & Non-Profit Organisations (Investigatory Powers)(Bailiwick of Guernsey) Law, 2008*. This is criminal justice law and falls within the competence of the States and does not therefore come to Alderney or Sark for approval; it gives teeth to the Law you have just rejected. The Enabling Provisions Law will now become Guernsey and Alderney Law only.

7 Reform Law Enactment Committee (ReLEC) Report with an Ordinance and Proposition

The Reform (Oaths of Island Officials)(Sark) Ordinance, 2008

- 7.1 Dep. S. Williams Since writing the report, others have pointed out that no oath is included for Douzainiers. She has made enquiries and established that under the new Reform Law, Douzainiers are covered by the oath taken as a Conseiller. Amendments will be needed to allow the crew of *The Leopardess*, the Guernsey Sea Fisheries' vessel, to board on behalf of Sark Sea Fisheries.
- 7.2 Mr. Dawes Asked if individuals can affirm rather than swear the oath.
- 7.3 Seneschal Confirmed that they could.

Proposition - CARRIED

That Chief Pleas approves the ordinance entitled - *The Reform (Oaths of Island Officials)(Sark) Ordinance, 2008*

8 Tourism Committee

Report with an Ordinance and Proposition

The Tourism (Accommodation Permits)(Fees)(Sark)(No.2) Ordinance, 2008

- 8.1 Dep. S. Williams Introduced the Ordinance required after Easter Chief Pleas that allows annual increases to the accommodation fees (or not as the case maybe) but with discretionary arrangements for the Committee to amend fees for each or all categories in any one year and bring to Chief Pleas for approval. This was particularly relevant to the fees for campsites.
- 8.2 Sieur Hurden At the last meeting in May, discussions took place about the requirement to have gas and fire precautions in place before accommodation permits were issued.
- 8.3 Dep. S. Williams Legislation is being drafted and is likely to come forward to the Michaelmas meeting.

Proposition - CARRIED

That Chief Pleas approve the ordinance entitled *The Tourism (Accommodation Permits)(Fees)(Sark)(No.2) Ordinance, 2008*

9 Shipping Committee

Report with Proposition

Isle of Sark Shipping Company (IoSS) Winter Timetable 2008/9

- 9.1 Dep. Le Lievre Reminded the House that Sieur Raymond (a Director of IoSS) had undertaken to take the Winter timetable back after the last meeting and see what adjustments could be made to accommodate the requests made. This is the revised version for your consideration.

Proposition – CARRIED

That Chief Pleas accept the timetable as drafted by IoSS and included with this report.

10 General Purpose & Advisory Committee

Report with Proposition

Helicopter Landings

- 10.1 Dep. Olsen Given the numerous letters of protest received by the Development Control Committee to an application seeking approval for a Helipad on La Moinerie property for Emergency Medical Evacuation, the GP&A Committee are requesting that Chief Pleas endorse the present policy for helicopter landings, which has been in place since a Chief Pleas Resolution of 20th January 1971.
- 10.2 Sieur Delaney Has received a letter from the Development Control Committee rejecting the application but inviting him to appeal if he wishes. Will this debate tonight compromise such an appeal? Is there any point in appealing?
- 10.3 Seneschal That is a matter for you to decide.
- 10.4 Dr. Henry Will Sieur Delaney have the right to see the volume of correspondence should he appeal?
- 10.5 Seneschal Yes.
- 10.6 Mlle. Perrée Don't appeal; please don't let us have helicopters landing on this Island.
- 10.7 Mr. Dawes Don't refute this generous offer because it could be of real benefit to the Island. A helicopter can land in poor weather conditions whereas evacuation by sea may not be feasible. Don't pre-judge the offer, it should be seriously considered. Landing in a field at night with only crossed car headlights...(corrected, after laughter, to tractor headlights) is not a safe option. The facility will be provided and used by a professional helicopter operator and is freely offered. The second part of this proposition cannot be voted for in its present form. Supposing the Medical Officer is off the Island how would evacuation of a patient take place then if a helicopter is needed. Don't vote for this proposition.
- 10.8 Dep. Plummer The Emergency Services Committee has consulted with Dr. Counsell, the Sark Medical Officer, who in turn consulted with St. John Ambulance. The key issue in any medical evacuation is not speed but to stabilise the patient. Whenever possible the patient should be brought to the Medical Centre where warmth, light and medical expertise and equipment is available and stabilised before any transfer off the Island is attempted. If a helicopter is required, the present arrangement is for a landing adjacent to the Medical Centre. There have been only two Emergency Medical Evacuations by helicopter in the last 40 years.
- 10.9 Mlle. Perrée If Mr. Dawes suddenly has appendicitis whilst having dinner in Little Sark would he be happy to wait for the ambulance to come and collect him, bounce him down tracks to the cliffs at La Moinerie to go in a helicopter to Guernsey Airport and in another ambulance back to Hospital?

- 10.10 Sieur Donnelly In today's *Guernsey Press* there are two reports about helicopters; one of a rescue at sea with a patient being winched from a boat and the other warning about a low-flying military helicopter over the Islands tomorrow.
If we deny a helipad facility that can be supplied for free, could we be sued if a patient dies because of the lack of evacuation facilities?
- 10.11 Sieur Harrison Introduced himself as a helicopter pilot and now Manager of Brecqhou. During his time on Brecqhou, he had been asked only once to supply a helicopter for emergency evacuation from Sark and had had to turn it down because of the severe weather conditions at night that would have made a landing on the Millennium Field too hazardous. Night flying is very different from daylight flying so don't underestimate the problems. In the winter that restricts the hours a helicopter can safely land to less than half the day.
- 10.12 Sieur Gomoll Asked whether the proposition could be broken down into three separate propositions?
- 10.13 Dep. Olsen Consulted with the rest of his Committee at the invitation of the Seneschal and declined to change the proposition.
- 10.14 Sieur Delaney Called for a named vote.

Proposition – CARRIED on a named vote – 23 Pour, 9 Contre and 8 No votes

That Chief Pleas continue to adhere to the present policy, refute the need for an additional helicopter landing site and record that the Public Services Department will consult with Sark as a matter of policy should there be any requests to amend the current exemption or seek additional exemptions to the Air Navigation (Restriction of Flying) (Guernsey) Regulation 1985. In the case of any future emergency medical evacuation from Sark, the authority of the Sark Medical Officer must be obtained to approve the necessity and method of evacuation on each specific occasion in order not to compromise patient safety.

- 10.15 Sieur Rang Asked if there was anyway the lighting on the Millennium Field could be improved?
- 10.16 Sieur Harrison The greatest problem for landing is the short decision time available to a pilot between coming out of cloud and being on the landing site. If weather conditions are poor and the cloud base is low, that time is very short. It is not so much not being able to see the lights but not seeing other things surrounding the site that are not lit – the trees and buildings, including the Island Hall. The same situation arises when taking off; the moment you leave the ground there are objects surrounding the site that are not lit and remain hazards.

**11 Sea Fisheries Committee
Report with Proposition**

Assistant Constable Sea Fisheries

- 11.1 Dep. Cocksedge Reported that Mr. Stisted, the present Sea Fisheries Officer had been evacuated from the Island as he was unwell and wished him a speedy recovery. Mr Doyle had been removed from the equation for the present, as certificates still have to be obtained from him.
The proposition was amended to just appoint Mr Higgins at this stage.
Mr. Higgins has conservation as part of his qualifications and Sark was hoping to be a catalyst for Marine Conservation. The Committee was waiting for a report from divers currently exploring sea-bed conditions around the Island.
- 11.2 Sieur Rang Do we have a boat for Sea Fisheries?
- 11.3 Dep. Cocksedge The insurance money has been received for the loss of the previous RIB and Emergency Services, who are now sharing the availability of the boat, are also contributing from funds so it will be purchased jointly. Various boats have been considered and it is hoped to purchase one very shortly.

Proposition – CARRIED as amended

That Chief Pleas endorse the appointment of Mr. Simon Higgins for a six months probationary period.

- 11.4 Seneschal The Seneschal's Court will sit at 1.45pm on the 4th July to swear in Mr Higgins.
- 11.5 Dep. Cocksedge Deputy Cocksedge wished to record a vote of thanks to Mr. Stisted and stressed the important role of the Sea Fisheries Officer, congratulating Mr Stisted on his vigilance during his period of office where he had followed through a number of prosecutions for illegal fishing and has done well in his enforcement role.

12 Public Works Sub-Committee of the Douzaine Information Report

Update on the Island Sewage Plant

- 12.1 Dep. P. Williams More commercial establishments are now “on stream” and using Ensoll 5000, the additive being put into sewage to assist in breaking down the mix for disposal. The States of Guernsey, having learnt of Sark’s success, now have the product on trial. Hawaii and Washington in the USA also have the product on trial.
- 12.2 Mr. Dawes Asked how the product worked.
- 12.3 Dep. P. Williams Felt it best to discuss it after the meeting!
- 12.4 Sieur Gomoll Asked if Ensoll 5000 can be bought, by an individual, direct from the producer and whether an additional period of service without replacement was now obtainable for the sewage plant.
- 12.5 Dep. P. Williams Was convinced that replacement of the sewage plant may no longer be necessary and the running cost has been reduced significantly as a result of using the product.
- 12.6 Mlle. Perrée Commended the reed bed used in Little Sark for disposal of waste; this was a great asset.

13 General Purposes & Advisory Committee Information Reports

Tidal Power

Consultation on Regulating Legal Professionals, Accountants and Estate Agents

- 13.1 Dep. Olsen As for the timelines for tidal power, the Committee hope to have proposals around the end of September or October and then to work with at least one short-listed group to negotiate a non-disclosure or confidentiality agreement. If all goes well, we may have a candidate to recommend to Chief Pleas, at least “in principle”, for January 2009.
- 13.2 This consultation on regulation is due tomorrow, 3rd July. GP&A have expressed two concerns; one that the annual registration fee, at £600, may inhibit business on Sark as it is quite high and second, that there might be exemptions or a threshold for annual turnover before registration fees are required. The question needs to be asked as to whether the existing money laundering controls over banks, for example, might not be adequate and this regulation might not be necessary.
Any Chief Pleas member or member of the public who wishes to comment should either hand deliver to the GFSC or email to: info@gfsc.gg
- 13.3 GP&A will also be asking for input by Chief Pleas Members on a number of issues, such as the consultation procedure with the Director of Air Traffic Control, and the Committee would like to “give notice” that it will invite comments from time to time. Any member or community organisation wanting especially to be “noticed” by email, please notify Dep. Olsen.

14 Sir David and Sir Frederick Barclay Report with Proposition

A The Use of The Island Hall

- 14.1 Dep. Melling Unlike those who earlier did not declare an interest on Item 10 (the Helipad), I am going to have the courtesy to do so now. For the first time in 30 years as a Member of this House, I find that I am unable to remain for the next agenda item. I am saddened that the Assembly is being asked to debate a subject that is so closely linked to a court case. My declared interest is evident in the fact that the summons is reproduced in the papers. I feel strongly that I must not put myself in a position that could be used against me or my fellow Trustees at a later date.

Deputy Melling then left the meeting

- 14.2 Seneschal Accepted two Members of Chief Pleas who stood as nominees for the propositions in the absence of Sir David and Sir Frederick Barclay.
- 14.3 Sieur R. de Carteret Asked if we should be discussing this report, as there was a Court case pending.
- 14.4 Seneschal Has taken advice and was told it was alright to do so.
- 14.5 Mr. Dawes This paper was not aimed at the individuals involved in the Court Proceedings. The Island Hall was always intended to be a Community Centre and his Clients had given £200,000 to the project. The installation of a “pub” was never mentioned. It was envisaged that there would be occasional licenses for special functions but it was never intended that the building would be a “pub” and off-licence, especially as it was combined with a school. What does charity gain from the profits made by the commercial operation? It would be much better to use the bar area as a Library for the whole community.

- 14.6 Dep. Cocksedge Refuted the idea that Mr. Dawes' Clients did not know of the intention that the Island Hall would contain a bar. Since its conception on 16th July 1987, the plans have always shown a bar and cafeteria. It was Mr. Dawes' own company, Ozannes, that had suggested joining the School and Community Hall under one roof and Le Pelley (the company acting as Trustees for the late Mrs Betty) fully approved of the concept. Chief Pleas' Members have been consulted throughout all the planning stages of the building and all papers for Chief Pleas have been circulated to Sir David and Sir Frederick Barclay and until now they have raised no objection.
The bar is used by visiting Sports Teams and it is universally accepted that after the match, teams gather together to socialise over a pint or two. The recently revived Theatre Group has just put on a production in the Hall and with a licensed bar available audience and performers alike were able to socialise during and after the performance and at rehearsals. The Music Society is now able to offer supper before concerts, a bar in the interval and social gatherings with performers afterwards. The Thursday Club ("the over 60s" who lunch) would be most put out if they were unable to have a glass of wine with their lunch. Not a group to be messed with; and so the list goes on.
- 14.7 Sieur Hurden The Hall Management Committee sent out a questionnaire 12 years ago following concerns about the Old Hall, to all residents on the Island. About a third responded which by statistical standards is quite good. Of those 41% wanted the Hall licensed, 6% didn't.
When the idea was put forward for the Hall and School to be under one roof, a Working Party with representatives from the Education and Hall Management Committees visited three such buildings in the West Country. No problems were found except for security and there clearly needed to be a physical barrier between the two functions.
As to planning the new building; plans were on display at every opportunity and special presentations were made when each of the three major revisions were considered. An area for a bar and refreshments was always included on every version.
- 14.8 Mdm. Magell As President of the Education Committee she completely refutes the claim that the school has any connection with the "pub".
- 14.9 Sieur Gomoll What is the role of Chief Pleas in this issue; could Mr. Dawes please explain.
- 14.10 Mr. Dawes From the accompanying papers, the House will see that there are two sets of Trustees involved here. One group responsible for the School and Community Centre and the Island Trustees, led by the Seigneur, made the land available for the building. The conditions of that lease give the Trustees the right to enforce the use of the Hall for charitable purposes.
- 14.11 Dr. Henry Those with considerable financial interest in this matter should take the example of Deputy Melling and withdraw from the debate. With all the supporting paperwork available, Members of Chief Pleas are quite capable of making up their own minds and interpreting the information in front of them.
- 14.12 Sieur Donnelly At Item 12 in Mrs Betty's Will, the Constables were entrusted with a charcoal drawing that Mrs. Betty requested should be hung in the Island Hall. Can they explain its whereabouts?
- 14.13 Seneschal Asked of the Constables whether an immediate answer could be given but it wasn't possible. He directed that this was not pertinent to the issue under discussion at this stage.
- 14.14 Sieur Donnelly Considered the opening of an off-licence was a bridge too far. The Old Hall had no licence and there are enough "pubs" on the Island already. People were too dependent on alcohol. The Island Hall was not designed as a "pub". Chief Pleas should debate the issue and find a resolution to the problem.
- 14.15 Dep. Olsen Had received representations from two residents. One pointed out that throughout the planning and construction, there was an open day at the end of each year when plans and progress were explained and on view. If nobody from Brecqhou bothered to come, they only had themselves to blame.
The other stressed how the café/restaurant/bar are an essential part of the Hall. The Music Society evenings are now so much enhanced as a social gathering with a meal before and a drink during the interval. Numbers had risen significantly since these facilities have been available. The Theatre Group production was full to capacity and there was a waiting list for tickets. It had been stressed over many years that there was a need to licence the Old Hall.
- 14.16 Dep. Dunks Wanted to reiterate the statement – there is no "pub" in Sark School.
- 14.17 Dep. Plummer Has any parent with children in Sark School ever complained?
- 14.18 Mdm. Magell None
- 14.19 Mlle. Bull Stressed that there was no connection between the school and the Hall.
She also recalled the situation in the 1960s at the Old Hall where people attending functions created liquor stores behind gravestones in the adjacent churchyard and slipped out for a drink from time to time during the evening.

- 14.20 Seneschal Has received a statement from one of the Island Hall Trustees together with the agreement between the Trustees and those managing the Island Hall. He would have these attached to the minutes of this meeting. (Appendices 2 & 3). The statement was read out at the meeting.
- 14.21 Sieur Donnelly The Trustees have assets that have been given away and negotiated back again. What happens to the Management profits, do they benefit the Island?
- 14.22 Sieur Gomoll Under the new legislation, will there still be Island Trustees? Will Chief Pleas still employ the Trustees?
- 14.23 Seneschal That will be for Chief Pleas to decide in future. It might possibly be a body or Committee on behalf of Chief Pleas.
- 14.24 Sieur Gomoll If Chief Pleas decides tonight to endorse the proposition, will the Trustees have to take account of the result?
- 14.25 Seneschal The Island Trustees take the wishes of Chief Pleas into consideration before making decisions. They work as agents of Chief Pleas.
- 14.26 Mlle. Bull We are living in the 21st Century – it is a different era. Although teetotal herself she went to “pubs” but didn’t drink alcohol. If it brings in money for the Hall to be managed and operated then it was a good thing.
- 14.27 Sieur Rang Always expected the Hall to have a licence but never intended it to have a “pub” licence.
- 14.28 Mlle. Perrée What rent do the Trustees receive for the Hall?
- 14.29 Seneschal You must ask the Hall Trustees that question. An agreement between the Hall Trustees and the management has been seen previously by Chief Pleas. (see Appendix 3)
- 14.30 Dep. Cocksedge Members of Chief Pleas with licenses to sell alcohol should declare an interest and not take part in this debate.
- 14.31 Mlle. Perrée Is that why the off-licence at the Hall sells cheaper because they have no rent?
- 14.32 Dep. R. Dewe Recounted his experience in the Shetland Islands when visiting during the Island Games. There were licensed premises adjacent to schools in most communities. Technically, the Island does not own the Island Hall.
- 14.33 Mr. Dawes Summed up by reiterating the thrust of the report, refuting Dr. Henry’s rebuke about financial interest, highlighting the undercutting of other businesses, the question of paying rent by the Hall management, and enquiring what services were given in return. The Hall should be licensed as a club or have only an occasional licence. It was wrong to have solicited donations for charitable use without making clear the way the Hall would be operated.

Proposition 1- LOST on a named vote – 8 Pour, 24 Contre and 7 No votes

Chief Pleas resolves that: The Seigneur, Seneschal, Prévôt and Greffier, as Lessors under a lease dated 1st July 2001 (“the Lease”) of two fields known as “Longue Pièce de Haut” or “Clos du Haut” and “Longue Pièce de Bas” or “Clos à Jaon” to the Trustees of the Sark School and Community Centre Trust, take all steps necessary to enforce the covenant at paragraph 4(b) of the Lease, namely that the Lessees at all times would “... not to use or permit or suffer to be used the Demised Premises for any purpose other than the primary charitable purposes of the Trust”, and, more specifically, that they ensure that no part of the Island Hall is used as a pub, off-licence or alcohol-licensed premises.

14 Sir David and Sir Frederick Barclay

B Report with Proposition

Recording, Broadcasting and Conduct of Chief Pleas Meetings

- 14.34 Mr. Dawes Hoped that this issue would be less contentious. Recording of proceedings was undertaken in the parliaments of most jurisdictions. If equipment was installed here, it would be easier for the Secretary and it could be used for Court proceedings as well. He had a possible specification and this gave a detailed list of components and an estimate of less than £1,000 had been placed on such a project. His Clients had also put forward a suggested change in the Rules of Procedure, ending the restriction on Chief Pleas Members talking to others outside the Chamber during breaks or adjournments in proceedings. Such measures were not necessary.
- 14.35 Seneschal Has always enforced this rule to avoid intimidation. Members have been told how to vote on forthcoming issues in the next part of the meeting. The rule is a direct copy of that followed by the States of Guernsey.
- 14.36 Dep. Burgess Can we not speak to members of the public? As Deputies, we are supposed to be there to represent the public so it is important to take instruction from them.
- 14.37 Seneschal If we have a five minutes recess, you should not be out taking instructions.
- 14.38 Dep. Burgess Has used similar equipment at meetings held in the Polygon Restaurant and it works well.

- 14.39 Dep. Olsen This issue was raised in 2007 and it was given brief consideration ahead of a budget meeting. GP&A Committee has already been looking at ways to assist the Secretary and to make the workload easier. Once the House becomes 28 instead of 40-50 Members, installation will become much easier. The Committee is currently looking at equipment for the Secretary to use in Committee and trial at Michaelmas Chief Pleas. It will identify the cost and include in the budget setting process.
- 14.40 Sieur Gomoll Will this come back to Chief Pleas? We should take out the and/or in the first proposition, as it should be available to all Members of Chief Pleas and to the public for a reasonable charge. We also need to establish the role of the Conseillers.
- 14.41 Mr. Dawes Accepted changing ...*and/or*.... to just ...*and*.....
- 14.42 Sieur Hurden If electronic equipment is in favour, could he plead for roving microphones when meeting are held in the Island Hall with fixed microphones on the top table.
- 14.43 Dep. Cocksedge Was in favour of the idea and commended Mr Ray Lowe who had installed the system for the States of Guernsey and consequently had experience of what was required. Suggested that GP&A speak with Mr. Lowe for advice.
- 14.44 Dep. Olsen Was concerned about the proposition suggesting all future meetings; this suggested Michaelmas onward.
- 14.45 Mr Dawes Was prepared to change this to *in the near future*.
- 14.46 Dep. Olsen Preferred the idea of consideration by GP&A Committee with a report to Chief Pleas and propositions containing recommendations.
- 14.47 Seneschal The contact with Mr Lowe was passed last week to GP&A as an idea, suggesting the Committee go forward to investigate the options.
- 14.48 Mlle. Perrée If it is to be recorded everyone will have to watch what they say and that will be inhibiting.
- 14.49 Dep. R. Dewe GP&A need to investigate and get it right first time. He supported Deputy Olsen and a study followed by a report was the way ahead.
- 14.50 Sieur Perrée Had reservations; some people are trained to speak but for many representatives in Chief Pleas, finding the right words did not always come easily and would those listening later be able to understand the points being made. He was also concerned about the media being able to record for broadcasting. Who would control what extracts could be used and how they could be interpreted. Would there be a loss of privilege by Members of the House in what they were allowed to say. There was also the danger that decisions would be taken quickly without proper debate.
- 14.51 Sieur Donnelly It was agreed in principle to record proceedings some 6 years ago.
- 14.52 Mlle. Perrée Was also concerned that the media would be picky and misinterpret what was being said. There could be a loss of jobs.
- 14.53 Sieur Raymond Supported the view that this should be passed to GP&A for its consideration of Members' privilege, the method and equipment to be used, cost and the implementation of any system.
- 14.54 Dr. Henry Propositions 2a needs revising to incorporate the GP&A involvement. Proposition 2b needs careful consideration – who is the media? Recording should be adopted for Chief Pleas own use first and the ideas introduced in stages with a trialing of the equipment.
- 14.55 Mlle. Bull Was worried that Members might loose their “cool” and be recorded for all time; it has happened in the past.
- 14.56 Dep. Plummer Would there still be written minutes available?
- 14.57 Seneschal There would be an immediate decision sheet but no paper minutes. He instanced a recent court case where the transcription to text cost £4,000.
He asked Mr. Dawes if he would be prepared to redraft his first Proposition 2a to which Mr. Dawes agreed and provided a new form of words as shown below.

As voting by hand was to close to call a named vote was used for Proposition 2a

Proposition 2a – **CARRIED as amended on a named vote – 20 Pour and 19 Contre**

That in principle future meetings of Chief Pleas be recorded and that copies of such recordings be made available to Members of Chief Pleas and members of the public. The matter will be further investigated by the GP&A Committee and reported to the Michaelmas meeting of Chief Pleas for consideration.

Proposition 2b – **LOST as amended**

Future meetings of Chief Pleas may be recorded and/or broadcast by the media.

Proposition 2c – **CARRIED as amended**

Members of Chief Pleas should be free to communicate with members of the public during adjournments of meetings.

Proposition 2d – **CARRIED as amended**

The Rules of Procedure made by resolution of Chief Pleas on 2nd October 2002 and amended by resolution dated 19th January 2005 be amended so as to permit Proposition 2c as carried above, to be brought into effect.

- 14.58 Sieur Asked if part of the meeting was without the public being present, would it still be recorded?
Gomoll
14.59 Seneschal Said it would but not be available to the public on the disk that was for sale.

**15 General Purposes & Advisory Committee
Report with Ordinance**

The Union of the Comoros (Freezing of Funds)(Sark) Ordinance, 2008

- 15.01 Dep. Olsen This Ordinance has been approved by GP&A and the House can only annul the Ordinance if it so wished. It chose not to do so and the Ordinance stands approved.

Forthcoming meetings for Chief Pleas Members

MICHAELMAS MEETING – Wednesday 1st October 2008 at 10.00am

Agenda closes on Wednesday 3rd September 2008 at 3.00pm

Papers distributed to Members by Wednesday 10th September 2008.

This meeting closed at 10.10pm.

Brian Garrard (Sark Committee Secretary) 4th July 2008

9th July 2008

Greffier

Seneschal

MEMBERS OF CHIEF PLEAS

Extraordinary Chief Pleas Meeting 2nd July 2008.

Tenants	Attending	Propositions		
		Item 10	Item 14A	Item 14B – 2(a)
Caroline Bell Dep. Seigneur	/	P	C	P
Lawrence de Carteret				
Iris Williams				
Helen Magell	/	P	C	P
John Donnelly	/	C	P	P
Rossford de Carteret	/	P	NV	C
Duncan Barclay	/	C	P	P
David Curtis	/	P	C	C
John Jackson				
Heather Snelling*	/	C	NV	P
Kevin Delaney	/	C	P	P
Christopher Rang	/	NV	C	C
Suzie Thorpe				
Gwendoline Drawmer*	/	NV	NV	P
June Carré	/	P	C	P
Stefan Gomoll	/	NV	NV	P
Phyllis Rang	/	C	NV	P
Sir Frederick Barclay*	/	C	P	P
Diane Baker	/	P	C	C
Edric Baker	/	NV	C	C
Mark Harrison	/	C	P	P
George Steinmetz				
Simon de Carteret	/	P	C	C
Dennis Hurden	/	P	C	P
Andrew Miller				
Sir David Barclay*	/	C	P	P
Isabel Perchard				
Molly Bull	/	NV	C	C
Philip Perrée	/	P	NV	C
Esther Perrée	/	NV	NV	C
William Raymond	/	P	C	C
Christopher Harris				
Sir Peter Miller*	/	P	C	C
Donald Willis*	/	P	C	C
Elizabeth Perrée	/	P	P	C
Harriet Carré	/	P	C	C

Deputies	Attending	Propositions		
		Item 10	Item 14A	Item 14B – 2(a)
Helen Plummer	/	P	C	C
Dave Cocksedge	/	NV	C	P
Dave Melling	/	P	-	-
Paul Williams	/	P	C	C
Tony Le Lievre	/	NV	C	P
Richard Dewe	/	P	C	P
Sandra Williams	/	P	C	C
Paul Armorgie	/	P	C	P
Roger Olsen	/	P	C	C
Elizabeth Dewe	/	P	C	P
Anthony Dunks	/	P	C	C
Paul Burgess	/	C	P	P

P - POUR	23	8	20
C - CONTRE	9	24	19
NV – NO VOTE	8	7	0

* NOMINATED REPRESENTATIVES

The Sark School and Community Centre Trust

Dear Seneschal,

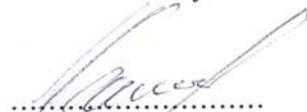
We thought it may assist the debate in Chief Pleas on the 2 July, on the Barclays' Proposition 1, if we set out our position on the suggestion in the proposition that the Trustees of the Island Hall have acted improperly in the provision and operation of the licensed cafeteria in the Island Hall.

The provision by charities of licensed cafeterias and the use by charities of management agreements is not uncommon and we believe that there is nothing in the operation of the cafeteria which contravenes the Trust deed or the Charitable status of the Island Hall. The trustees believe that the licensed cafeteria is of benefit to the Island. The arrangements under which the cafeteria operates (a copy of which is attached) also provide a considerable benefit to the Hall as the cafeteria's operators have agreed to provide management services for the hall generally (including cleaning and bookings). This allows the hall to be made available to the Island without incurring charges for providing these necessary services.

Chief Pleas will recall that the trustees, and previously the Hall Management Committee, have consulted widely and have enjoyed wide support both for the provision and the operation of the licensed cafeteria. For more than 10 years members of Chief Pleas in particular have been very aware of the plans to continue and improve upon the similar facilities which existed in the previous island hall, where a similar management agreement was in place, albeit less onerous upon the Management. The suggestion that any donor, let alone a member of Chief Pleas, was unaware of these plans is a mystery to us.

Hitherto Chief Pleas have been very supportive of the provision and operation of the licensed cafeteria and the trustees wonder why the Barclays, as very active members of Chief Pleas, did not oppose the licensing application for the cafeteria when this was determined by Chief Pleas in 2006.

Yours faithfully



John Carre 1st.July 2008

Chairman of the Trustees
The Sark School And Community Centre Trust

**STATEMENT OF AGREEMENT BETWEEN THE TRUSTEES AND
THE MANAGEMENT OF THE NEW ISLAND HALL**

This agreement is between the

The TRUSTEES of the SARK SCHOOL AND COMMUNITY CENTRE TRUST

and

**MRS SANDRA WILLIAMS of La Grange, Clos du Menage, Sark GY9 0SB
MRS SHARON BOERENBEKER of Zyllan, Rue Hotton, Sark GY9 0SG**

**The persons named above will be known as the MANAGEMENT and will trade
under the name of 'SARK ISLAND HALL.'**

**This agreement will commence on 1st April 2006 and be reviewed for the purpose of
renewal 3 years from the said date of commencement and thereafter every 5 years.**

**This agreement is subject to 6 months notice of termination from either the
MANAGEMENT or the TRUSTEES.**

**This agreement requires the signatures of all persons named as MANAGEMENT
and TRUSTEES.**

This agreement requires the MANAGEMENT to have responsibility for;

- **ensuring that the hall facilities are made available from 10.00 a.m. till 10.00 p.m. Monday to Saturday inclusive, save that those sections covered by local law are only open during the hours that are granted by that law.**
- **making every effort to establish and promote the use of the hall for events which bring benefit to the hall and to the island in general.**
- **liaising with all interested parties with regard to the use of the hall, taking bookings for both the hall and the field and charging appropriate fees. The Sark Sports Club will retain any fee in relation to the use of the field area and no charge will be made for the use of the hall by the school for the purpose of physical education.**
- **regular cleaning of all the internal areas, comprising of the entire ground floor of the hall premises and the area of the upstairs bar, including toilets and terrace. The dental surgery is not included in this responsibility.**
- **cleaning of toilet facilities on the ground floor, with the understanding that they will be kept open and in use as public toilets during the times that the hall premises are open.**
- **regular cleaning of all accessible windows in the hall premises.**

- **keeping full accounts of trading and all income, these accounts being available to be presented to the TRUSTEES on request and on a strictly confidential basis.**
- **insuring all contents and stock, including items identified in the attached, signed inventory. All items, or replacements, identified in the inventory must be on the premises at the termination of this agreement.**
- **having a clear evacuation procedure in place in the event of fire or other peril, with full knowledge of the location and correct use of fire equipment.**

Nothing in this agreement involves all or any part of the living accommodation on the first floor.

The person nominated to hold the liquor licence will at all times ensure that the requirements of the SARK LIQUOR LICENCE LAW are fully met. If at any time the Seneschal's Court revokes the licence, this agreement will be cancelled.

At all times particular attention and consideration should be given to the school and the children with regard to the sale and consumption of alcohol.

The person nominated to hold the CATERING PERMIT will at all times ensure that the requirements of the SARK CATERING LAW are fully met.

The person nominated to hold the LIQUOR LICENCE and the CATERING PERMIT must be any one or two of the named MANAGEMENT group.

The TRUSTEES, with the agreement of the MANAGEMENT, retain the right to proceed with work on those parts of the building and grounds not yet completed. Due consideration will be shown to the daily running of the hall business.

No structural work, alterations or the like is to be undertaken without the express permission of the TRUSTEES.

Any equipment that requires connection to water, electric or gas is to be connected by a competent tradesman.

At any termination of this agreement the Trust will have first option to purchase of all or any equipment, furniture or stock which has been installed on the premises by the MANAGEMENT.

The MANAGEMENT agrees to attend quarterly meetings with the TRUSTEES.

At the end of every fourth quarter the TRUSTEES and the MANAGEMENT will meet to determine and agree, after careful consideration of the accounts, a percentage amount which will be deemed payable to the TRUST.

The MANAGEMENT will be aware of the deed of trust under which the TRUSTEES work and will not at any time bring the TRUSTEES into conflict with any parties mentioned in the Trust document.

The MANAGEMENT accepts that the TRUST may from time to time appoint replacement TRUSTEES.

Date 1 - 4 - 06

Signatures

Trustees

J.R. Lewis
Sam O. W. Herring
L. A. Keel
[Signature]

Management

S. Doerenbeke
S. Williams

Renewal date

Signatures

Trustees

Management

