

**MEMORANDUM OF UNDERSTANDING
ON THE IMPLEMENTATION OF THE ENTITY OBLIGATIONS
FROM THE FINAL ARBITRAL AWARD FOR BRCKO**

The Government of the Brcko District of Bosnia and Herzegovina,
represented by Mayor Sinisa Kisic

The Government of the Federation of Bosnia and Herzegovina,
represented by Prime Minister Edhem Bicakcic

The Government of the Republika Srpska,
represented by Deputy Prime Minister Ostoja Kremenovic on behalf of
Prime Minister Milorad Dodik

Under the auspices of the Deputy High Representative and Supervisor of
Brcko, Ambassador Gary Matthews

With a view to implementing the Final Award issued by the International Arbitration Tribunal for Brcko dated March 5, 1999 establishing the Brcko District of Bosnia and Herzegovina (hereinafter: Brcko District) as a single administrative unit under the exclusive sovereignty of Bosnia and Herzegovina,

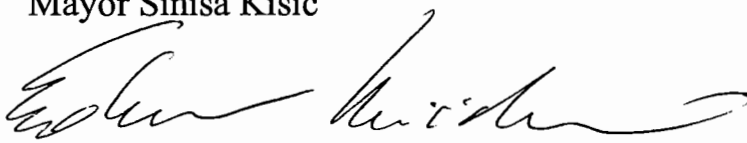
1. Reiterate their support to the general goal for the Brcko District to be financed by revenues raised locally and by an allocation of customs revenues as provided in paragraph 8(B) of the Annex to the Final Award.
2. Agree that the Government of Republika Srpska and the Government of the Federation of Bosnia and Herzegovina (hereinafter: Governments of the Entities) shall assist in solving of problems related to refugees and DPs in accordance with Annex 7 of the Dayton Peace Accord, demining, the economic and social development of the Brcko District, the maintenance and reconstruction of infrastructure including but not limited to roads and electrical power network. The Brcko District shall, as a territory held in condominium by both Entities, promote the Entities economic interests in the Brcko District through various kinds of cooperation and joint ventures. To that end, the Governments of the Entities shall encourage entrepreneurs from the Entities to enter into business agreements with the Brcko District.

3. Agree to resolve the issues related to pensions, health care and status of public employees of all former administrations within the territory of the Brcko District.
4. Agree that within 30 days from the date of the signing of this Memorandum separate agreements shall be concluded specifying the entities financial and other obligations concerning all issues agreed to herein.

Brcko, 19 September 2000



For the Brcko District Government
Mayor Sinisa Kisić



For the Government of the Federation of Bosnia and Herzegovina
Prime Minister Edhem Bicakčić



For the Government of Republika Srpska
Deputy Prime Minister Ostoja Kremenović



Deputy High Representative, Supervisor of Brcko
Ambassador Gary Matthews