

GOVERNMENT OF BARBADOS

Hon. Denis St. E. Kellman, M.P.

Minister of Housing, Lands and
Rural Development

National Housing Corporation Building
"The Garden", Country Road, St. Michael, BARBADOS
Telephone: (246) 467-7801 Facsimile: (246) 436-7657
E-mail: minhousing@barbados.gov.bb

May 16, 2014

Barbados Motoring Federation Inc.
Worthing Corporate Centre
Worthing Main Road
Worthing
Christ Church
Barbados

AND

Bushy Park Circuit Inc.
Lears
St. Michael
Barbados

Re: Bushy Park Racing Circuit

Dear Sirs,

The purpose of this letter (this "Letter") is to document certain understandings regarding the Bushy Park Racing Circuit ("Bushy Park") situated on the land described in Part 1 of Schedule 1 (the "Land") between the Crown acting by the Honourable Denis Kellman the Minister for the time being charged with the responsibility for the Land (the "Crown"), the Barbados Motoring Federation Inc. a non-profit company incorporated under the Companies Act, Cap. 308 of the laws of Barbados having its registered office situate at Worthing Corporate Centre, Worthing Main Road, Worthing, Christ Church, Barbados ("BMF") and Bushy Park Circuit Inc., a company incorporated under the Companies Act, Cap. 308 of the laws of Barbados having its registered office situate at Lears, Saint Michael, Barbados ("BPCI") (each hereby referred to as a "Party" and together as the "Parties"), with a view to inter alia:

1. carrying on the legacy of Bushy Park;
2. ensuring that Bushy Park continues to be available for the public purpose of being a home for motor sport activities in Barbados and for use by the Crown as set out below; and
3. developing Bushy Park as a world class motor racing facility, unique within the region, to act as a stimulus for tourism and foreign revenue generation. ✓

It is hereby understood and agreed as follows:

DKJ

1. On the grant of permission by the Town and Country Planning Development Office for the sub-division of the Land from the Greater Area (as described Part 2 of Schedule 1) the Crown will grant a lease of the Land to BMF on the terms contained herein and upon such additional terms as may be negotiated between the parties and BMF will, with the consent of the Crown, grant a sub-lease of the Land to BPCi also on the terms contained herein and upon such additional terms as may be negotiated between the parties hereto (the lease and sub-lease mentioned in this paragraph being together referred to herein as "the Lease").

2. In the interim, for the consideration and on the terms mentioned herein the Crown has agreed to grant and hereby grants to BMF the right licence and authority to enter use and occupy the Land and to carry out certain development of the Land (as described in Schedule 2) ("the Development") and BMF has with the knowledge and consent of the Crown (as confirmed by the Crown being party to and signing this Letter) and for the consideration and on the terms mentioned herein agreed to grant and hereby grants to BPCi the right licence and authority to enter use and occupy the Land and to carry out the Development thereon.

3. The licence and sub-licence granted by paragraph 2 above shall each continue in effect until the commencement date of the Lease and the licence fee payable to the Crown shall be the sum of \$1,000.00 Barbados Currency (plus VAT) in advance per month or part thereof.

4. The Parties acknowledge that BPCi with the knowledge and by the direction of BMF has commenced the Development, both BMF and BPCi thereby acting in reliance on the assurance of the Crown that it will grant the Lease containing the terms and conditions set out below and such other additional terms and conditions as are negotiated between the parties hereto.

5. The Parties hereto hereby agree in good faith to immediately upon the completion of the Top Gear Festival commence and proceed expeditiously with negotiations towards the completion and execution of the Lease.

6. The BMF and BPCi shall be responsible, at their sole cost, for obtaining all necessary permits, Licences and approval required with respect to the Development and shall comply with all the requirements thereof.

7. The Lease shall be on the following terms and such other terms as are negotiated between the parties:

- a) Term: 25 years with an option to renew at the option of BMF and BPCi (with respect to the sub-lease) for a further 25 years.
- b) Rent: as set out in Schedule 3.

- c) The Lease shall not be terminated by the Crown, BMF or BPCi save for material breach, which shall for the purposes of the Lease mean a breach which is willful and deliberate and which would deprive the terminating party of a substantial portion of the benefit of the Lease to that party.
- d) The Crown, BMF and BPCi shall have a period of 3 months after service of a notice to commence rectification of any breach before service of a notice to terminate.
- e) On termination, other than for material breach, the terminating party shall pay BPCi compensation for the value of the improvements carried out by BPCi which are in place and in good condition at the Development at the time of termination at the open market value thereof as determined by an internationally recognized and accredited accounting firm, such compensation to be paid in full and without set off withholding or deduction prior to such terminating party re-entering or taking possession of the Land.
- f) The Land shall be accessible to other BMF member organisations on reasonable terms and at reasonable rates approved in writing in advance by the Crown or such Government entity as is authorised by the Crown which rates shall be equitable to all organizations thereby providing a fillip for the development of motor sports. Copies of all such agreements shall be provided to BMF and the Crown or such Government entity authorised by the Crown. Without limiting the provisions of this clause, all rates charged to member clubs of BMF shall be computed on a similar basis from one club to another, and the provisions of paragraph 6 (o) shall apply.
- g) BPCi may, with the prior written approval of the Crown and BMF, permit the use of the Land by any third party for any use connected with the Development, provided that such permitted use does not derogate from the public purpose usage of the Land.
- h) In consideration for its investment in the Development of the Land, all fees charged pursuant to 6(g) shall belong to BPCi.
- i) The BMF and BPCi shall make provision on the Land and Development for small concessionaires chosen by a community-based team.
- j) Land Taxes in respect of the Land shall be payable by Crown, utilities shall be payable by BMF and BPCi save where the Crown has use of the Land pursuant to paragraph 6 (o).
- k) BMF and BPCi shall insure the Development up to the maximum aggregate sum

of Barbados Dollars 5,000,000.00 ("the Insurance Threshold Amount").

- l) BMF and BPCi shall at all times save harmless and keep indemnified the Crown against all reasonable and documented claims demands and expenses and liabilities whatsoever in respect thereof up to the Insurance Threshold Amount and with respect to all claims for which the said BMF and or BPCi may be found liable by a Court of Law.
- m) The Lease shall contain the usual covenant for quiet enjoyment by BMF and BPCi.
- n) BPCi may assign the sub-lease to a third party only with the prior written consent of the Crown and (on receipt of consent of the Crown and BMF as to the reputation and standing of the prospective assignee and their capacity to carry on Development).
- o) The Crown may upon providing reasonable notice to the BMF or BPCi use the Land for hosting national, religious and parochial events, inclusive but not limited to "Crop Over", carnival, Independence and Emancipation events as sanctioned by the Cabinet of Barbados, at no charge to the Crown save for water and electricity used by the Crown during the hosting of such events. On each such occasion the Crown shall be responsible for insurance coverage with respect to the event, shall do nothing that would have the effect of voiding the insurance policies effected by the BMF or BPCi and shall make good any damage caused to the Land or Development during the hosting of any such events.
- p) The BMF and BPCi shall be responsible at their own cost and expense for all development and improvements undertaken on the Land and the repair and maintenance thereof.
- q) Disputes shall be referred to arbitration in accordance with the Arbitration Act Cap 110 of the Laws of Barbados.
- r) The Crown or its agents, BMF and BPCi shall not be in breach of the Lease in the event of failure or delay in the performance of their obligations due to a Force Majeure event.
- s) Motor sports competitions shall not be held without the sanction of BMF.

8. The provisions of paragraph 7 (c) to (i) inclusive and (k) to (r) inclusive shall apply to the licence and sub-licence granted in paragraph 2 as well as to the proposed Lease.

9. Each of the Parties shall pay the cost of its own Attorney-at-Law in relation to this Letter. The Crown shall pay any stamp duty hereon and on the Lease and all Property Transfer Tax payable hereon and on the Lease.

10. This Letter may be executed in three or more counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same document.

11. This Letter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. This Letter shall operate and is delivered as a deed for the purposes of section 59 of the Property Act, Cap 236 of the Laws of Barbados.

Please indicate your agreement to the terms of this Letter by executing the enclosed copy of this Letter.

Schedule 1

Part 1

"Land" means all that land containing approximately 27 hectares shown on a Sketch Plan annexed hereto and prepared by Hart, Hutchinson & Field, Land Surveyors dated the 15th of February, 2013 and bounded as follows:

Bounded to the West by Gaskin Road, bounded to the North by sundry owners and lands now or late of Fairfield Plantation, bounded to the East by The Barbados Government old Railway trace, bounded to the South East by Williams and bounded to the South by a Public Road to Summervale going West, and Lucas Street going East.

Part 2

"Greater Area" means a parcel of land containing by estimation 124.8 hectares (308.6 Acres) situated at Bushy Park in the parish of St. Philip.

Schedule 2

The Development

The construction, development and operation of a racing circuit and all activities ancillary thereto or operated in conjunction therewith all as a permanent home for motor sport in Barbados including the provision, leasing and licensing of hospitality suites, corporate boxes a museum and all other amenities

and attractions thereon -as shown on the drawings attached hereto and shall include the construction and leasing of the "Premium Garages" (also called "Toy Barns") as shown on the drawings approved by the Chief Town Planner under reference number 1316/08/2013D.

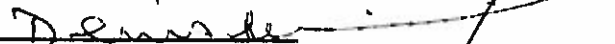
Schedule 3

Rent

- (1) For the first three (3) years a concessionary rental of twelve thousand dollars (\$12,000.00) per annum shall be payable annually in advance.
- (2) 2% of 3.2 million dollars for years 4, 5 & 6 in advance;
- (3) 2.5% of 3.2 million dollars for years 7, 8 & 9 in advance;
- (4) 3% of 3.2 million dollars for years 10, 11 & 12 in advance;
- (5) 3.5% of 3.2 million dollars for years 13, 14 & 15 in advance;
- (6) 4% of 3.2 million dollars for years 15 to 25 (inclusive) in advance;
- (7) Thereafter the rent shall be reviewed every three years based on the rent payable for the last review period adjusted to reflect inflation or deflation of prices in Barbados since the last review date, calculated by reference to the consumer prices index published by the Central Bank of Barbados

The rent stated above shall be exclusive of all Value Added Tax (if any) payable thereon.

Yours Faithfully;



Hon. Denis Kellman

Minister for the time being
charged with the responsibility for the subject
of Lands for and on behalf of the Crown

Witness: Sandra Forde JP

Name: SANDRA FORDE

Abode: KENDAL HILL, CHRIST CHURCH

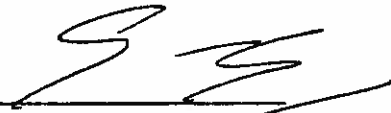
Calling or Description: PERSONAL ASSISTANT

We hereby acknowledge and agree the terms of this Letter:



Andrew Mallalieu
President

BARBADOS MOTORING FEDERATION INC

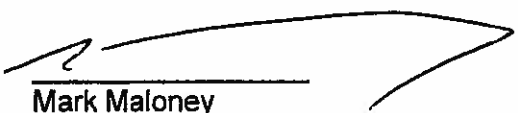
Witness: 

Witness: _____

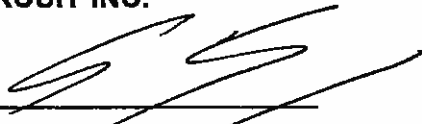
Name: Savitri St. John

Abode: 12 & 13 Cottage Terrace, Cottage St. George

Calling or Description: Attorney-at-Law



Mark Maloney
Director
BUSHY PARK CIRCUIT INC.

Witness: 

Name: Savitri St. John

Abode: 12 & 13 Cottage Terrace, Cottage St. George

Calling or Description: Attorney-at-Law

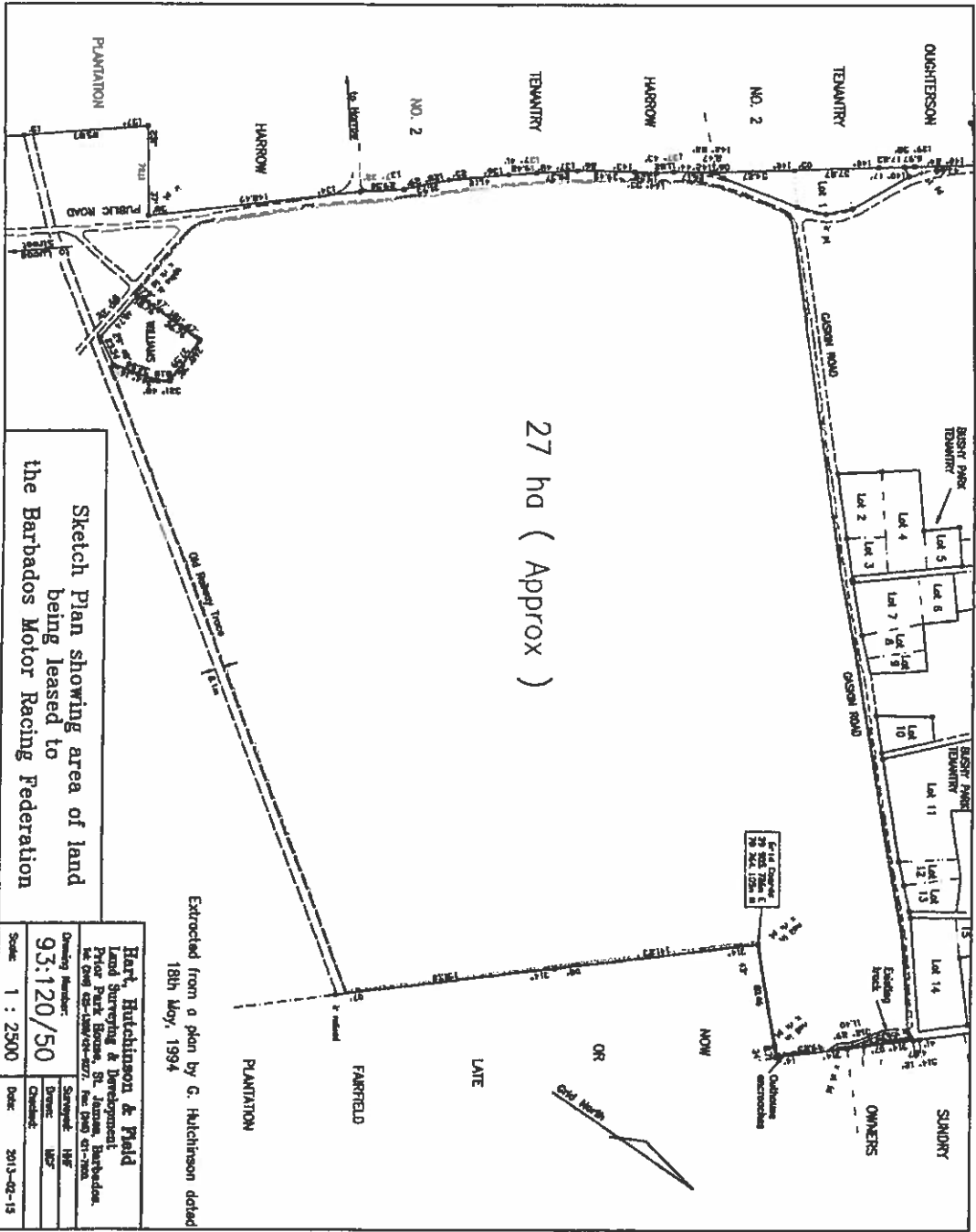
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ANNEX

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Sketch Plan showing area of land
being leased to
the Barbados Motor Racing Federation

Extracted from a plan by G. Hutchison dated
18th May, 1994

Hart, Hutchinson & Field Land Surveying & Development P.O. Box 100, St. James, Barbados Tel: (246) 422-1200/422-1207; fax: (246) 422-1208	
Drawing Number:	93:120/50
Scale:	1 : 2500
Date:	2013-02-15
Drawn:	HF
Checked:	MF

Handwritten signature

Initials: DL Hon.D.K

AM AM

MM MM

DL

DL
DK

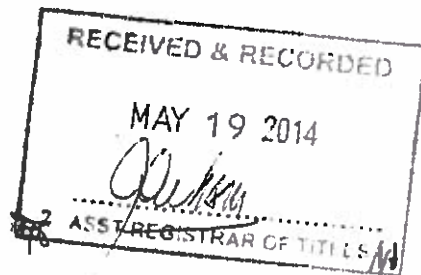
DATED 16TH DAY OF MAY 2014

BARBADOS MOTORING FEDERATION INC.

AND

BUSHY PARK CIRCUIT INC.

LICENCE



CLARKE GITTENS FARMER