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7th June, 2016

Mr. Mark Maloney
Chairman
Rock Hard Cement Ltd
C/o Preconco Ltd
Lears
St. Michael

Dear Sir

Re: Issues relating to the Leasing of Lot 3 and Lot 7 at Spring Garden Highway – BARBADOS PORT INC. TO ROCK HARD CEMENT LTD.

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I act on behalf of Barbados Port Inc. (the Port).

Serious concerns have arisen with regard to activities carried out on Lot 3 and Lot 7.

I write to inform you that the Port has been served with two Stop Notices and Enforcement Notices both dated 7th day of June, 2016 and given under S40B (1) and S36 (1) respectively of the Town and Country Planning Act, Cap. 240 in relation to Lot 3 and Lot 7.

The background information which includes specific procedures to be followed is included and is as follows:

The Lease relating to Lot 3 commenced on the 1st June, 2015 and was executed on the 20th October, 2015. With regard to the Lease relating to Lot 7 there was firstly a Lease to Alternative Cement Limited commencing 31st of July, 2013 and following a name change to Rock Hard Cement Limited (RHCL) a new lease was given commencing the 1st day of March, 2016 for a period of 10 years with an option to renew for a further 10 years, on similar terms and conditions of the previous Lot 3 lease.

As you are fully aware, the purpose of the lease for Lot 3 was, subject to certain stipulations stated therein for "the specific purpose of receiving, blending, warehousing and distribution of cement and all activities ancillary thereto which include but are not limited to the construction of a building within which to carry out the said business, the type, size, construction and specifications thereof to be as agreed with the Landlord in accordance with the provisions of Clause 4(g) of the said Lease. I refer you to the Second Schedule of the said Leases.

The identical provision is stated in the lease for Lot 7.

Under both leases relating to Lot 3 and Lot 7, the Tenant covenants as follows:

1. Clause 4 (c) "To maintain the Demised premises at standards acceptable within the industry of the business specified in the Second Schedule at all times, that is, including keeping the Demised Premises tidy, free from debris, refuse and the institution of a safe system of work for the workers on the Demised Premises."

2. Clause 4 (g) "To obtain all necessary approvals from all planning and regulatory agencies as is required for the structures to be constructed, with the consent of the Landlord, on the Demised Premises by the Tenant and the conduct of the business set out in the Second Schedule hereto by the Tenant, it being agreed between the parties hereto that any other approvals required from planning and regulatory agencies with respect to the Demised Premises or any part thereof shall be the Landlord's obligations."

Clause 4 (g) further continues:

"The Landlord shall not unreasonably delay or withhold or condition its consent to any proposed construction by the Tenant on the Demised Premises. The Landlord shall respond in writing to a written request for consent to proposed construction within 21 business days of the receipt of the tenant's request. Where the landlord refuses any request for proposed construction at the demised premises, such request shall be accompanied with written reasons for the refusal."

3. Clause 4 (j) in part states:

"Not to do or permit or suffer to be done in or upon the demised premises or any part thereof any unlawful or improper trade or business or anything which in the opinion of the landlord may be or become a nuisance annoyance or damage to the landlord or in any way interfere with the quiet comfort and the business of the landlord."

4. It must also be pointed out that clause 6 in both the leases relating to lot 3 and lot 7 states: provided always and it is hereby agreed and declared between the parties as follows:

(a) [Save as set out in clause (5) of this lease] "the Tenant shall not construct, erect or place any structures, buildings, equipment or fences of any kind which might hinder, restrict or block the access on or along the existing service road leading to any adjoining lots."

The leases relating to Lot 3 and Lot 7, required consent from the Port's mortgagees, namely, Republic Bank (Barbados) Limited, Republic Finance & Trust (Barbados) Corporation and Consolidated Finance Co. Ltd.

All three mortgagees granted their consent to both Leases "on the terms set out in the attached Lease." At the option of the Mortgagees, these consents can be withdrawn if the leases were breached leaving no other alternative but for the cancellation of both Leases.

The Stop Notice with the attached Enforcement Notice relating to Lot 3 which has been served on my client, the Port, stated at Item 3: "Without planning permission, carried out development, namely, the erection of a structure on the land set out above at Item 2 of the said Enforcement Notice.

For Lot 7, the Stop Notice with the Enforcement Notice stated at Item 3:

"Without planning permission, carried out operations and development, namely (1) berthing, bulk handling and storage of cement, (2) Loading trucks on the land as set out in Item 2 of the said Enforcement Notice.

The Port has never been written to, by RHCL requesting prior consent to any proposed construction nor has the Port been shown approved planning and other agencies approval in order to commence construction work.

As a matter of fact, the procedures outlined in both Leases relating to prior planning and other agencies approval and prior consent before commencement of construction were never followed. Rock Hard Cement Ltd. is therefore in breach of Clause 4 (g) of both Leases relating to Lot 3 and Lot 7.

The Port was made aware, on the 18th day of May, 2016 at a Site Visit attended by the Hon. Richard Sealy, Ministry of Tourism and International Transport that an Order for Retention has been sought by RHCL and that this is being dealt with between RHCL and the Town and Country Planning Office.

On the 27th day of May, 2016, a Site Visit relating to Lot 3 and Lot 7 was made by two Port officials, namely Mr. David Jean-Marie, Chief Executive Officer and Mr. Kenneth Atherley, Divisional Manager, Corporate Development and Strategy. The visit revealed that work on both sites was still being carried on.

In addition, your attention is drawn to S40 B (5) on the face of the Stop Notices:

"Any person, being a person in relation to whom a stop notice is in effect, who carries out or continues, or causes or permits to be carried out or continued, any operations prohibited by the notice is guilty of an offence and is liable on summary conviction to a fine of \$1,000, and, if the offence is a continuing offence to a fine of \$250.00 for each day or part thereof during which the offence is continued after he is first convicted."

With the exception of the issues relating to the Enforcement Notices and attached Stop Notices which are being dealt with by the Town and Country Planning Office, the Port is actively trying to address certain operational concerns concerning Lot 3 and Lot 7.

With regard to Lot 3, it has been found that RHCL has effectively taken possession of the Public Road to the North of Lot 7 and this effectively blocks access to the raw bulk handling berth at the South Western corner of the Flour Mill. This access has been enclosed and is kept locked with sign prohibiting unauthorized persons. The Port does not have a duplicate of this key. I refer you to Clause 6 (a) above.

With regard to issues relating to the Lot 7 Lease, the Port has had to deal with other several serious concerns namely:

1. Complaints have been received from the ADM Barbados Mill Ltd. with respect to the impact of cement dust on their operations. The Port has been copied on the reply to Ms. Karlene Nicholls, Commercial Manager, by Mr. Dwight Sutherland, Operations Consultant to RHCL, dated March 15th, 2016. In the said letter, he stated that – " We would implore you to visit with us so that we can show you what will be our permanent arrangements as of this week and can assure you that we will ensure that there is no cement or other dust coming from any of our operations once the permanent works are completed. It is also our intention to asphalt the current areas that are marl and we have a road sweeper that will be used to suck up any left over dust that may come from areas that are not rented or controlled by us where trailers park and other activities are carried out."

In addition, there were complaints about trucks operating and covered with a large amount of dust. In a letter dated the 8th day of March, 2016 written by Ms. Karlene Nicholls, Commercial Manager to Mr. Dwight Sutherland, Operations Consultant for RCHL, it was stated: " Should you take the necessary measures to have the re-packing of cement done in the enclosed facility with proper dust control management system and an effective preventative maintenance program as discussed back in March, as well as implementing a road wetting program, we would not have a problem."

The Port requires clarity as to the timelines on these promises and is seeking up to date information on all these matters raised above.

The Port is in the business of renting commercial spaces and all tenants and neighbours have a right to the quiet enjoyment of the premises leased, that is, to enjoy the use of the premises without substantial interference from the landlord or anyone claiming through it.

2. There have been complaints from the Ministry of Housing on behalf of the Barbados Coast Guard (BCG) with respect to the impact of dust on the Coast Guard Facility. The BCG is urgently requiring an Environmental Impact Assessment Study in order to ascertain the level of dust. At the Site Visit of both lots, on the 18th day of May, 2016 by the Hon. Richard Sealy, Minister of Tourism and International Transport, Ms. Donna Cadogan, Permanent Secretary (Ag.) Ministry of Tourism and International

Transport and other Government Officials, together with Mr. Kenneth Atherley, Divisional Manager, Corporate Development and Strategy at the Port, Mr. Mark Maloney, Chairman of RHCL, Members of the TCPD Office, Members of the Ministry of Health, Members of Housing, Lands and Rural Development and Members of the Coast Guard, the Minister stated that RHCL should write to the Port advising of the actions being undertaken and planned actions in order to mitigate any adverse environmental impact on the BCG.

The Port awaits this information so that satisfactory solutions can be sought in order to alleviate the abovementioned problems.

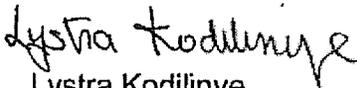
Correspondence dated 26th day of May, 2016 addressed to Mr. David Jean-Marie, CEO of the Port and written by Mr. H. Niki Smith for the Permanent Secretary of the Ministry of Housing, Lands and Rural Development was copied to the Solicitor General and several other Government Department indicating that, "[In addition] it appears as if RHCL's current operations on Lot 7 constitute a nuisance under the Health Services (Nuisances) Regulations, 1969. It was further stated that "Failure on the part of BPI to take action in this matter will leave this Ministry with no other alternative than to request that the Solicitor-General seek an interlocutory injunction against both BPI and Rock Hard Cement Ltd."

The Port is requesting, as a matter of urgency, that, while the issues relating to Planning Approval are being dealt with, RHCL must stop all activities and be in compliance with the Stop Notices and the leases relating to Lot 3 and Lot 7.

My client is proposing that a meeting be set up, at the earliest available opportunity, in order to discuss and clarify all outstanding issues raised.

I await your reply.

Yours faithfully


Lystra Kodilinye

Cc: Permanent Secretary, Ministry of Tourism and International Transport
Permanent Secretary, Ministry of Housing, Lands and Rural Development
Chief Town Planner, Town and Country Development Planning Office