

THIS MEMORANDUM OF UNDERSTANDING is made the 10th day of October, Two Thousand and Seventeen **BETWEEN** the **GOVERNMENT OF TRINIDAD AND TOBAGO** (hereinafter called "the Government") of the **ONE** part and **SANDALS RESORTS INTERNATIONAL 2000 INC.** a Company incorporated under the laws of Panama (hereinafter called "Sandals" which expression shall include it's heirs, successors and any nominee(s) of Sandals which may take title to or operate the Hotel as hereinafter described or which may carry out any of the functions of Sandals envisaged herein) of the **OTHER** part either of the Government or Sandals being a "Party", together being "the Parties".

WHEREAS:

1. The Government intends to develop the land known as The Development Land ("the Land"), as more accurately defined in Section 4 of the Sandals & Beaches Tobago Preliminary Master Planning Study dated April 2016, located in Tobago with a 520 room family resort and a 300 room couple's resort (referred to hereafter as the "Beaches Resort", "Sandals Resort" or collectively as the "Resorts") using a special purpose vehicle (SPV), Golden Grove-Buccoo Limited, incorporated for these purposes.
2. The parties intend to execute a Technical Services Agreement (TSA) to ensure that the development of the Resorts meets their respective expectations and which TSA shall include, among other things the Parties respective roles, performance timelines covenants with respect to quality, quality control procedures and compensation.
3. The Government intends to enter into a long-term Management Agreement with Sandals and on the terms and conditions to be incorporated into a formal Management Agreement (the "Management Agreement") which Management Agreement shall include, among other things, a right of first refusal to purchase in favour of Sandals should the Government decide to sell any of their interest in either or both of the Resorts, as well as the provisions for an FF&E reserve and which FF&E reserve is to be used by Sandals for the purpose of Resort maintenance.
4. It is intended that Sandals will operate the Resorts as a Beaches Resort and as a Sandals Resort, being part of a chain of Resorts operated by Sandals and it is recognised that it will be necessary for that objective to be achieved that Sandals shall



require certain of its key operational staff to possess qualifications and qualities unique to a Beaches Resort and Sandals Resort.

5. The Government recognizes that Sandals' presence in Trinidad and Tobago through the Hotel operation will, inter alia:
 - a. Create a National Asset of which Trinidad and Tobago will be proud;
 - b. Become an economic catalyst for sustainable long-term growth;
 - c. Become a flagship Trinidad and Tobago Tourism Product;
 - d. Result in an increase in the Airlift in Trinidad and Tobago;
 - e. Provide greater access to the North American tourism market;
 - f. Bring important benefits to the economy of Trinidad and Tobago;
 - g. Provide substantial employment opportunities for the people of Trinidad and Tobago;
 - h. Utilize Trinidadian and Tobagonian goods, produce and services;
 - i. Add to the Trinidadian and Tobagonian profile and enhance its tourism marketing prospects; and
 - j. Employ about one thousand seven hundred and fifty (1,750) persons based on eight hundred and twenty (820) rooms and an annualized occupancy of approximately 80%.

6. The Government and Sandals having reached certain understandings in principle and in good faith on the aforementioned matters have agreed to set out the said understandings herein which shall govern the relationship between the Government and Sandals with respect to Sandals' stated intention to operate the Resorts.

7. The Government will remain the beneficial owner of the freehold land and the resorts for the duration of tenure of the MOU, the Heads of Agreement (HOA), and the Management Agreement, and any extensions thereof as provided for by such agreements.

8. The Parties agree that the Government will finance the construction of the Resorts built to the specifications of Sandals and that the Government may finance the construction

by any reasonable means, including, but not limited to private equity financing, provided that such alternate financing does not have a materially adverse effect on the commercial terms previously agreed.

NOW, THEREFORE, the following are the mutual understandings and objectives of the Parties:

A. IT IS NOW UNDERSTOOD THAT THE GOVERNMENT WILL:

1. Develop the land with the Resorts in accordance with the plans and specifications to be agreed with Sandals.
2. Allow Sandals access to the Resorts at least 6 months before the completion of the development of the Resorts so as to enable Sandals to carry out staff training and otherwise prepare for the opening of the Resorts.
3. Assist the SPV and/ or any other entity involved in the construction and development of the Resorts in:
 - a. Obtaining any licences required by Sandals in relation to the operation of the Resorts;
 - b. Liaising with relevant ministries or departments of the Government in order to facilitate the issuance of work permits as required; and
 - c. Any other service which the Government either directly or indirectly deems to be necessary in assisting Sandals in operating the Resorts.
4. Issue to Sandals the necessary licences, if any, to hold and to operate under the terms of the Management Agreement, and subsequent agreements.
5. Secure the expeditious processing of all approvals as may be required by Sandals for the development and the operation of the Resorts.

6. In the event that the Government fails to complete the development of the Resort, the Government shall reimburse Sandals for all wasted costs and expenses upon request.
7. Deliver the Resorts to Sandals on or before the Completion Date (as will be defined in the TSA).
8. Discuss and agree with Sandals the various incentives and/ or exemptions that are deemed to be necessary for the efficient and profitable commercial operating of the Resort, these incentives and/ or exemptions are to be granted to the SPV and/ or Sandals which shall be responsible for the management and running of the Resort.
9. Establish the necessary corporate entities to, inter alia, own the asset, and employ the staff, and to otherwise perform its responsibilities under the various contracts, such that Sandals will be enabled to perform its obligations hereunder.
10. Permit Sandals to, at its sole discretion, be the final determinant regarding the suitability for employment of all candidate employees during the period prior to and after the commencement of trading such that the standards of the brands can be attained and maintained.
11. Grant work permits for hotel staff to the extent considered necessary by Sandals for the operation of the Resorts, bearing in mind that in order to achieve the high standards of a Sandals Resort and a Beaches Resort, it is necessary, throughout the duration of the Management Agreement, to have an adequate number of work permits, to be issued as expeditiously as possible.
12. Subject to clause B5 below, to grant work permits where suitably qualified Trinidadian and Tobagonian nationals in Sandals sole discretion are unavailable to fill the relevant posts.
13. Allow Sandals group head-office personnel, as notified by Sandals in non-exhaustive lists supplied from time to time, to periodically visit the Resorts on a



short-term basis (being no longer than 30 days at a time) to conduct managerial reviews and Resort inspections and audits without being required to hold work permits.

14. Extend applicable benefits which are to be negotiated and agreed between the Parties to "associated" and/ or "affiliated" companies of Sandals and also to named non-resident consultants, contractors, sub-consultants and sub-contractors engaged by Sandals for all or any purposes relating to the operation, expansion (if any) and maintenance of the Resorts, provided that they so qualify.
15. Generally grant all such licences, permits and permissions which may be necessary for the operation of the Resorts subject to the prescribed application process for such licences, permits and permissions.
16. Grant similar concessions and privileges as those stated above with respect to any expansion or improvement of the Resorts within a period to be agreed between the Parties, in respect of such expansion or improvement to commence on the commencement of commercial operations of the said expansion or improvement.
17. Procure that the necessary laws, regulations or orders are enacted or made to give effect to this agreement, and any subsequent agreements.

B. IT IS ALSO UNDERSTOOD THAT SANDALS WILL:

1. The Government acknowledges that Sandals intends to establish subsidiaries, affiliates or associate companies to hold the Management Agreement, to operate the Resorts and to otherwise perform its role herein, and that such subsidiary affiliate or associate shall be entitled to the benefits of this MOU and references herein to Sandals shall be deemed to include a reference to such subsidiaries, affiliates or associates.
2. Manage and operate the Resorts as "Sandals" and "Beaches" chain establishments.

3. Upon the commencement of the Management Agreement, operate, promote and market the Resorts as "Sandals" and "Beaches" branded resorts.
 4. Meet locally acceptable environmental standards and requirements in all phases of the operation of the Resorts.
 5. Subject to clause A10 above, employ Trinidad and Tobago nationals provided that suitably qualified persons are available within Trinidad and Tobago and to implement an employee training program for all levels.
 6. Give preference to the purchasing of domestically produced agricultural inputs where available in adequate quantities and quality and at comparable prices external to Trinidad and Tobago.
 7. Give preference to the purchasing of all other inputs where available locally or through local businesses in adequate quantities, quality and at comparable prices external to Trinidad and Tobago.
 8. Pursuant to the TSA, provide the architectural drawings and construction drawings for the Resorts and assist and participate in the supervision of the construction and finishing phases of the construction of the Resorts. All costs of constructing and outfitting the Resorts in a "Ready-for-Guest" state including the cost of the soft and grand openings shall be for the account of the Government.
- C. The Government shall undertake that neither it nor any governmental authority will establish any law or regulation, policy guideline or administrative measure which either formally or in true effect discriminates against Sandals or the Resorts or the guests, creditors or employees of the Resorts or which in effect, and looking at the matter fairly, singles out any of those persons.
- D. The Government undertakes to stabilize the tax regime applicable to Sandals and/ or the SPV in respect of its operations and in that respect undertakes that if Trinidad and

Tobago enacts or otherwise introduces any new tax or fiscal measure it will grant or cause to be granted an exemption or remission to Sandals and/ or the SPV so as to cause the tax regime applicable to Sandals and/ or the SPV as set out in this MOU and/or any subsequent agreements entered into by such time to remain stable.

- E. The Parties agree that this MOU is not exhaustive and not legally binding but indicates the sincere intent of the Parties to reach a legally binding HOA that incorporates these terms and such other ancillary terms that are reasonable and necessary to achieve the objectives of the Parties including terms in respect of the execution of the Management Agreement and the TSA.
- F. The Parties further agree that it is their intent to execute a legally binding HOA.
- G. This MOU is premised on the status of Sandals as a Management Company and, should that status change to that of legal owner of the freehold to the Resort or Resorts, the Government agrees that the terms of this MOU and the HOA will be amended as necessary to reflect such change of status and that the incentives and tax reliefs granted to Sandals would be no less favorable than those granted to Sandals herein.
- H. Sandals shall be permitted to avail itself of the more advantageous terms if at any time prior to, during the term of the Management Agreement or thereafter during the operations thereof, any legislation, development orders or Government policies are enacted whereby the enacted provisions are more beneficial than those granted to Sandals hereunder. Similarly, if any hotel owner, operator, manager is granted any tax or fiscal benefits more favourable than those granted to Sandals then and in such case the Government shall grant similar or fiscal benefits to Sandals.
- I. In the event of act of God including, but not limited to fire flood earthquake, hurricane or other natural disaster act of any sovereign including but not limited to war, invasion, act of foreign enemies, rebellion, revolution, insurrection, military or usurped power; labour dispute including but not limited to strike action or if any other cause beyond the reasonable control of the parties renders performance of this MOU impossible, the party unable to fulfill its obligations shall immediately give notice in writing of this to the other party describing the case in question including the nature and cause of the occurrence,

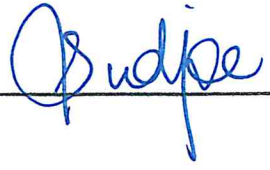
its expected duration and the expected duration for damage, repair, and or restitution of the status quo and the obligations of the parties shall be suspended for so long as the force majeure event renders performance of this MOU impossible. As soon as practicable following such notification, the parties shall consult with each other in good faith and use all reasonable endeavours to agree on appropriate terms to mitigate the effects of the force majeure event and facilitate the continued performance of this MOU. Any time frames shall be extended for a period of time equivalent to the length of the delay and its ensuing effect as a result of the force majeure event.

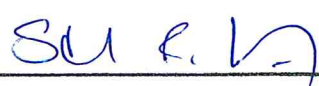
- J. The HOA, the TSA and the Management Agreement shall be governed by and construed in accordance with the laws of Trinidad and Tobago.
- K. The parties hereby respectively acknowledge and agree that, in respect of the information detailed herein, each party will treat it as confidential, not disclose it to any third party without the prior written consent of the other party and use it solely for the purpose of furthering the objectives of this MOU.
- L. Sandals, will have the option to extend the terms of the HOA, the TSA, and the Management Agreement for a further period of 15 years, or any other term mutually agreed upon, between the Parties, by providing written confirmation of its intention to do so within 180 days of the termination date of the initial 25 year period as provided by such agreements.



In Witness of which the duly authorised representatives of the parties have executed this Memorandum of Understanding as follows:

GOVERNMENT OF TRINIDAD AND)
TOBAGO by the abovenamed)
SHAMFA CUDJDE)
duly authorized in that behalf)
in the presence of:)






WITNESS

SANDALS RESORTS INTERNATIONAL)
2000 INC. by the abovenamed)
Donna A. Delva)
duly authorized in that behalf)
in the presence of:)





WITNESS