

MEMORANDUM of an **AGREEMENT** made this 10th day of April, 2012, **BETWEEN** the Governor of St. Helena (acting in accordance with the advice of the Executive Council of St. Helena, and hereinafter referred to as ‘the Governor in Council’) of the one part and St. Helena Leisure Corporation Limited (hereinafter ‘SHELCO’) of the other part.

A. WHEREAS-

1. The Governor in Council wishes to construct an international airport in St. Helena, facilitate scheduled air services to and from St. Helena, and thereby develop a sustainable low volume/high value tourism-based economy (hereinafter ‘the Access Project’); and has entered into a contract with Basil Read (Pty) Limited (hereinafter ‘Basil Read’) for the design and construction of such an airport (and supporting or associated infrastructure) and for an initial period of operation of the airport;
2. SHELCO wishes to develop a high quality hotel and resort complex (hereinafter ‘the Resort Project’) on land at Broad Bottom, St. Helena, upon which it holds an option to purchase;
3. Under St Helenian law, SHELCO may not lawfully purchase the said land except with the permission of the Governor in Council; and
4. The Governor in Council is satisfied that it would be in the public interest to grant such permission provided that the Resort Project will be undertaken broadly in conformity with proposals which have been presented to the Governor in Council by SHELCO, as set out in the Third Schedule hereto and to be the subject of Environmental Impact Assessment broadly as set out in the Fourth Schedule hereto.

B. NOW THEREFORE IT IS AGREED AS FOLLOWS-

1. Within one month from the date hereof, the Governor in Council will grant to SHELCO a licence in the form set out in the First Schedule hereto;
2. Within 12 months of Basil Read having made a material start on site , SHELCO will make an application to the Land Planning and Development Control Board for detailed development permission for the Resort Project;
3. Provided that the said application is complete in all material respects, and accompanied by an adequate Environmental Impact Assessment, the Governor in Council will use his best endeavours to cause a decision to be made on the application (the determination of which will, due to the size of the site, be by the Governor in Council) within 3 months from the date on which the application is made;

4. The following provisions of this Memorandum have effect only if detailed development permission is granted;
5. Provided SHELCO is satisfied with the ongoing progress of airport construction and has confidence in the likely date for completion, SHELCO without unreasonable delay will submit for formal approval by the Land Planning and Development Control Board all of the details required under conditions attached to the detailed development permission for the Resort Project;
6. Provided that the said details are complete in all material respects, the Governor in Council will use his best endeavours to cause a decision to be made on them within 3 months from the date on which they are submitted;
7. The following provisions of this Memorandum have effect only if formal approval of the details is granted;
8. Within 12 months of the granting of formal approval of the details, SHELCO will make a material start on an Environmental Enhancement programme in accordance with the 'programme outline' set out in the Second Schedule hereto;
9. SHELCO will make a material start on the Resort Project within 6 months of acquiring the freehold in the land at Broad Bottom;
10. For the avoidance of doubt, nothing in this Memorandum is to be construed as obliging the Governor in Council to grant detailed development permission;
11. The parties agree to act towards each other in good faith, recognising-
 - a. SHELCO's need to protect its commercial and economic interests; and
 - b. The Governor in Council's obligation to act in the public interest of St. Helena
12. This Memorandum supersedes an Agreement made on 23rd May, 2008, between the 'Government of St. Helena' and SHELCO, which shall forthwith cease to have effect.

SIGNED by the Governor:

Dated.....

in the presence of:

(Name in Block Capitals:

)

SIGNED on behalf of SHELCO

Dated.....

By (Name in Block Capitals):

in the presence of:

(Name in Block Capitals:

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FIRST SCHEDULE

(The Licence)

Immigration Control Ordinance, 2008

Immigrant Landholding Licence

IN EXERCISE of the powers conferred upon me by section 29(1) of the Immigration Control Ordinance, 2008, I hereby grant unto St. Helena Leisure Corporation Limited ('the Licensee') a licence to acquire and hold a freehold interest in the land described in Schedule A, subject to the conditions set out in Schedule B.

Dated this day of , 2012.

Governor

Schedule A

Thompson's Hill, Block 1, Parcel 38;

Thompson's Hill, Block 2, Parcel 179

Thompson's Hill, Block 2, Parcel 57

Thompson's Hill, Block 2, Parcel 60

Schedule B

1. The licensee may not acquire the land unless it has first been granted detailed development permission for the Resort Project referred to in a Memorandum of Agreement made between the Governor in Council and the Licensee and dated the day of , 2012. AND the licensee has complied with clause B8 in that Memorandum.
2. The licensee may not use the land except for the purposes of the said Resort Project.
3. This licence shall cease to have effect if the licensee has not acquired the freehold in the land within 12 months of the earliest date on which (in accordance with clause B1) it could lawfully have done so.

SECOND SCHEDULE

(The Environmental Enhancement Programme)

1. SHELCO undertakes to invest a minimum of £150,000 (one hundred and fifty thousand pounds) on a programme of environmental improvements or enhancements.
2. The details of the programme will be agreed between SHELCO and the Governor in Council (each acting in accordance with Clauses B8 and B11 of this agreement) according to the following principles:
 - 2.1. The enhancement programme will be aimed at enabling strategic or nursery planting and related works to proceed on Broad Bottom at the earliest opportunity while more detailed matters and processes are being agreed between the Governor in Council and SHELCO.
 - 2.2. It is envisaged that the planting scheme will encompass aspects of SHELCO's longer-term landscaping plans for Broad Bottom.
 - 2.3. The agreed programme will be carried out under the supervision of professional management.
 - 2.4 .. The Governor in Council undertakes to provide (so far as it is within his power to do so) appropriate formal or informal permissions to permit suitable Crown land to be used in connection with the programme and the Resort Project, including regularisation and extension of the site boundaries to facilitate strategic planting..

THIRD SCHEDULE

BROAD BOTTOM ESTATE - ST HELENA

Proposed Planning Guidelines

The overall context of these proposed planning guidelines is that the quality of the environment of the Island of St Helena, its flora and fauna within five climate zones, are an important part of the development brief. The success of this development relies upon the initial impact and benchmarking of 'Brand St Helena' and the coordinated launch effect on the international tourism market, as has been proven with similar developments such as Mauritius where Oberoi have successfully established an international luxury resort hotel.

Land Use: The designated land use will be for tourism and leisure related activities with associated development based upon the St Helena policy of low volume, high value tourism.

Land Management: The land designated within the Broad Bottom Estate will be managed and maintained within an overall programme to a high standard to safeguard the intrinsic qualities of the development.

Linkage: Where practically possible, and in conjunction with neighbouring land owners and other relevant bodies such as the Saint Helena National Trust, adjacent tourism and leisure related facilities, such as Lemon Valley, may be linked to the Broad Bottom Estate development.

Ecology & Biodiversity: The existing ecology, including plant types and habitats, will be enhanced where appropriate with increased biodiversity to both consolidate and strengthen the overriding and established ecological characteristics of the development, where such development permits.

Indigenous Landscape: Wherever practically possible, and where development permits, the indigenous landscape will be maintained and enhanced with the planting of other indigenous species relevant to the development and the surrounding Heartlands to safeguard its natural habitats and landscape qualities wherever practically possible. Additional indigenous species may also be introduced in appropriate locations, based on historical precedent.

Landscape & Visual Impact Analysis: In order to safeguard the setting and wider landscape views from the surrounding areas, a Landscape and Visual Analysis of the whole development will be undertaken.

Historical Features: An analysis of the existing Boer Encampment features and characteristics of the site will be undertaken to demonstrate they will be respected and incorporated within the proposals.

Topography & Slope Stabilisation: The development will involve some significant modification of the topography of the site for access roads, pathways and individual building plots. Any such significant development will be supported with slope stabilisation proposals.

Tourism & Leisure Related Development: The proposed development of the Broad Bottom Estate will include:

- an all-suited eco luxury hotel and spa of no more than 100 suites overall, with a minimum size of 45m², including some individual garden suites each with associated pools and support services,
- leisure related holiday residences of varying sizes of accommodation with associated pools and other support services from the hotel,
- An 18-hole golf course and clubhouse with associated maintenance and other ancillary buildings.

The leisure related holiday residences are intended to be offered to the international tourist market for single or fractionally owned occupancy commensurate with the type of visitor attracted to the hotel.

Plot Size & Density: The overall density for the site, excluding the hotel, golf clubhouse, and maintenance or ancillary buildings, is to be no more than one leisure-related holiday residence per 2 acres of the total site area. The proposed development will predominantly incorporate a series of cluster type hamlets. Within this arrangement it is important that there is a range of plot and residence size of two or three storeys to respond to the sloping nature of the site and to reduce footprint impact.

Sustainability: The development will incorporate a range of measures to address every aspect of sustainability to be an exemplar project on the world stage for the future of St Helena and to set reference standards for the future development of the island.

Energy: The development will seek to utilise renewable energy and green technologies to be as self sufficient in its energy requirements as is practicably possible. The overall energy

requirements of the development will be significantly reduced through the thermal mass of the buildings and high insulation combined with low energy lighting and natural heating and ventilation.

Water Conservation & Waste Management: The development will demonstrate best practice of water conservation and waste management in the context of its overall needs on the island of St Helena.

Vehicular Access: The overall development will incorporate a green transport plan to minimise the environmental impact of vehicular movements both to and on the Broad Bottom Estate. The development will also incorporate to the relevant standards adequate and sufficient points of site access from the adjacent highways as well as access roads and footpaths for the operation and servicing of the overall development within the Broad Bottom Estate.

Local employment: Throughout the construction and operation of the Resort Project, SHELCO will use its best endeavours to employ a St Helenian workforce and will provide appropriate training and housing for its employees as part of its best endeavours.

Local sourcing of food and consumables: In all elements of operation of the Resort Project, SHELCO will use its best endeavours to source food and consumables from St Helena and will assist the establishment and expansion of local businesses as part of its best endeavours.

Medical facilities: SHELCO will provide medical facilities for its guests and employees as part of the Resort Project.

FOURTH SCHEDULE

Scope of Environmental Impact Assessment

Biodiversity:

- The effect on the wirebird and its habitat
- The effect on endemic and native flora and fauna
- The effect on other wildlife conservation objectives
- The effect on species or habitats of local importance

Landscape and visual amenity:

- The effect the development would have on the landscape and the visual amenity to or from views of high quality of nearby landscapes

Cultural Heritage and Archaeology:

- Disturbance or damage to archaeology or heritage features

Water Environment:

- The effect on water supplies during the construction and operational phases
- The effect of surface water flows, ground water availability and the quality of these waters
- The effect of discharges directly or indirectly to water courses or ground water during construction and operational phases

Air quality and Green House Gas Emissions:

- The effect of emissions on local air quality
- The effect of the generation of dust during the construction phase
- The effect of green house gas emissions

Noise & Vibration:

- The effect of noise activities during the construction phase
- The effect of transport during construction and operational phases
- The effect on nearby residents ,wild life and their habitats or other sensitive receptors

Traffic & Access:

- The effect of the increase in vehicle numbers, vehicle speeds or types of vehicles (e.g. heavier delivery vehicles) visiting the area during construction and operation phases
- The effect of any new accesses, to include details of routes

Land Use & Other Assets

- The effect of the loss of agricultural land
- Management of generated waste
- Changes in land levels

In order to for the assessment to be fully informed we recommend that the following data search, surveys or other studies be undertaken as a minimum:

- Wirebird survey
- Identification of replacement wirebird habitat and its suitability
- Water resourcing (eg. groundwater)
- Traffic impact assessment
- Landscape and visual assessment – photomontages - 6 viewpoints
- Other bird life

Note that further surveys and studies may be undertaken at the discretion of the applicant in order to ensure that the EIA is based on the most accurate and up to date information possible.

EIA Report Structure

In preparing the EIA Report and in order for it to be reviewed and evaluated we would expect the report to include:

- A clear description of the proposed development at all stages of construction and operation;
- A plan showing the boundary of the application and principal components of the scheme to scale;
- An outline of the alternatives considered, if any (note that a detailed assessment of alternatives is not normally required);
- A description of the current environment (baseline);
- A description of consultations undertaken and how these have affected the proposals;
- A clear and objective assessment of the environmental impacts of the proposed

development, grouped by topic (e.g. noise, ecology, cultural heritage, landscape, etc., as required) both before and after mitigation;

- A description of the mitigation measures that will be used to avoid, reduce or offset negative effects;
- Such figures, plans and appendices as are required; and
- A Non Technical Summary (NTS) that sets out the details of the scheme, the main findings of the assessment and the significant impacts remaining after mitigation.

Note that the NTS must include a clear list of the proposed mitigation commitments that may form the basis of subsequent Planning Conditions.

The applicant is encouraged to refer to the following documents (available for download from <http://www.sainthelena.gov.sh/pages/environment.html>) for advice on how to prepare an EIA Report:

- *Land Planning and Development Control Ordinance, 2008, Schedule 2*
- *Environmental Impact Assessment – Guidelines for Applicants*
- *A Procedural Manual for EIA on St Helena*