



MEMORANDUM OF UNDERSTANDING

Between

The public legal entity **LAND ARUBA**, hereafter the "Government of Aruba" or the "GOA";

And

CALEDONIA PROPERTIES N.V., hereafter "Caledonia";

And

MARRIOTT INTERNATIONAL INC., hereafter "Marriott";

And

DESAROLLOS HOTELCO DEVELOPMENT COMPANY N.V. (or its designee), hereafter "DHC";

WHEREAS

- A. On May 3, 2006 the GOA issued a parcel of domain land of 20.322 m2 in long lease to Caledonia for the purpose of developing, constructing and operating a time share resort of 307 keys maximum.
- B. Caledonia has so far not fulfilled the purpose of the aforementioned right of long lease.

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- C. Marriott is the ultimate beneficial owner of the issued shares in the share capital of Caledonia.
- D. DHC is the developer selected by Marriott and approved by the GOA to develop and build the 5-star, luxury resort to be described in more detail below.
- E. Parties wish to negotiate an amendment of the terms and conditions of the Caledonia long lease (hereafter also the "Caledonia Long Lease Amendment") and to agree to certain other matters in connection therewith.
- F. Parties have reached agreement about the terms and conditions of the Caledonia Long Lease Amendment and about certain other matters in connection therewith, as referred to above, which agreement however is fully subject to satisfactory agreement about the terms and conditions of the notarial deed, that will be required to formally amend the Caledonia long lease.
- G. The primary purpose of this MOU is to document the terms and conditions of the Caledonia Long Lease Amendment, so that this MOU may serve as the basis for preparation of the notarial deed pursuant to which the Caledonia long lease will formally be amended.
- H. The secondary purpose of this MOU is to document certain other matters on which the Parties have agreed in connection with the Caledonia Long Lease Amendment.

NOW THEREFORE IT IS AGREED AS FOLLOWS

1. Use of the long lease parcel

1.1. The Caledonia long lease was originally issued for the purpose of developing and building a time share resort of 308 keys maximum. Parties have agreed however to change this condition in the interest of promoting luxury tourism in Aruba.

1.2. Therefore the amended purpose for which the Caledonia parcel is issued in long lease will be to develop, build and operate a 5 star, luxury St. Regis Aruba Resort, Casino, Spa & Residences Project (hereafter also the "Project") on the long lease parcel, with a configuration of up to 200 hotel rooms / keys and 22 residences.

1.3. The Project will be built by an affiliate controlled by DHC. The Project, including both the hotel as well as the residences, will furthermore be managed under the St. Regis brand by a hotel management company directly affiliated with Marriott (hereafter also the "St. Regis Management Entity"), in the name and for the account of an affiliate controlled by DHC.

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1.4. Caledonia will have the right, but not the obligation to build, market and sell the residences as part of the Project. If Caledonia so chooses, it may operate the residences as hotel suites rather than selling them to individual apartment owners. The residences will be built on part of the existing Caledonia long lease parcel and will be housed in a separate tower. The GOA grants Caledonia permission to make part of the existing Caledonia long lease subject to a notarial deed of division, to be executed in the future, in order to create apartment rights for the residences, after the residences have been built. Caledonia will consult with the GOA's Department of Infrastructure ("DIP") in order to reach agreement about the details of the notarial deed of division, that will be necessary to create apartment rights for the residences.

1.5. If Caledonia chooses to market and sell the residences, they will be marketed and sold as deeded apartments, which can be registered in the land registry office and which can be mortgaged.

1.6. Nevertheless, the residences (hereafter also the "apartments"), must at all times during the term of the Caledonia long lease, or any extensions thereof, form an integral part of the St. Regis Aruba Resort, Casino, Spa & Residences Project. This means that they shall at all times comply with the development, management and use standards of the St. Regis brand.

1.7. The Project must have a mandatory rental pool program with respect to the apartments, managed by the St. Regis Management Entity.

1.8. The apartment regulations in the notarial deed of division by which the rights of apartment for the residences are to be created, must stipulate that the apartments must comply with the St. Regis quality and use standards, or with the quality and use standards of any successor luxury, 5-star hotel brand under which the hotel will be managed in the future and that the apartment owners will be bound by its provisions. These stipulations in the deed of division and other apartment regulations must survive any sale of an apartment or bankruptcy of the owner of an apartment.

1.9. Failure of an apartment owner to comply with the apartment regulations in the aforementioned notarial deed of division, shall result in such financial penalties and other sanctions (including restrictions on the use of individual apartments), enforceable by the Association of Apartment Owners, as are necessary to ensure strict compliance of the apartment owners with these regulations. In as far as permitted by law the hotel operator should have an important say in the Owners Association in order to preserve and safeguard the high standards of the resort and the condo section.

1.10. If the hotel management agreement, and related agreements between the St. Regis Management Entity and the affiliate controlled by DHC, are terminated during the term of the Caledonia long lease, or any extensions thereof, DHC or its affiliate will be obliged to enter into a new management agreement and related

agreements with another luxury 5-star hotel management company, to be approved by the GOA, in order to ensure that the hotel and residences will continue to be managed under another 5-star luxury hotel brand and by another 5-star, luxury hotel manager. The GOA will not unreasonably withhold its approval for a successor 5-star, luxury hotel manager.

2. Permission to transfer the issued shares in the capital of Caledonia or the long lease parcel to DHC and restrictions on subsequent transfers

The GOA, represented by the Minister of Spatial Development, Infrastructure and the Environment, grants Marriott, as UBO of the issued shares in the share capital of Caledonia, permission to transfer these shares to DHC or an affiliate controlled by DHC, OR, at the option of Marriott and DHC, to transfer the rights of Caledonia under the leasehold to DHC, or an affiliate controlled by DHC, provided that such transfer can only occur simultaneously with :

- (i) the execution of the hotel management agreement between DHC, Caledonia and the St. Regis Management Entity, that will manage the St. Regis Aruba Resort, Casino, Spa & Residences Project, and
- (ii) the execution of the notarial deed containing the amendment of the Caledonia long lease.

After the aforementioned initial transfer of either the Caledonia shares OR of the long lease parcel to DHC, the transfer restrictions-regime, as currently contained in the existing long lease deed, will continue to apply with respect to subsequent transfers of the Caledonia shares or long lease parcel. The GOA reserves the right to reinforce the restriction on subsequent transfers of the Caledonia shares with a perpetual clause (in Dutch : een "kettingbeding") to be incorporated in the notarial deed containing the Caledonia Long Lease Amendment, if the GOA deems this advisable.

3. New 60 year term of the long lease

Under the amended long lease lessee will be granted a new 60 year term commencing on the date the notarial deed of amendment of the Caledonia Long Lease Amendment is registered in the registers of the land registry office. Prior to the passing of the notarial deed containing the Caledonia Long Lease Amendment, the lessee must have paid all long lease rent and real estate taxes, which may be due up to the date of passing of the aforementioned notarial deed.

4. Rent increase

The annual long lease rent valid during the new 60 term of the long lease will be increased and will be calculated, based on the current valuation of the land of Afls. 180 per m². The formula for calculating the annual rent is 6% of the land value of the long lease parcel. Therefore the increased annual long lease rent will be Afls. 219.478,00.

4

5. Public park between the Caledonia long lease parcel and the adjacent Divi Phoenix Resort

5.1. The Parties agree that it is important that the public park between the Caledonia long lease parcel and the Divi Phoenix Resort, will remain accessible to the general public and that it will remain a public park during the term of the Caledonia long lease, or any extensions thereof. The Parties agree that maintaining the destination of the public park as a public park is in the public interest and that it is also necessary in order to maintain an environment that will meet the 5-star, luxury hotel standards of the St. Regis Aruba Resort, Casino, Spa & Residences Project or of any successor 5-star luxury hotel brand on the long lease parcel.

5.2. Furthermore the Parties agree that it is important that, during the term of the Caledonia long lease, or any extensions thereof, the public park will be designed and maintained in accordance with a plan, that is similar to the existing park and approved by the GOA.

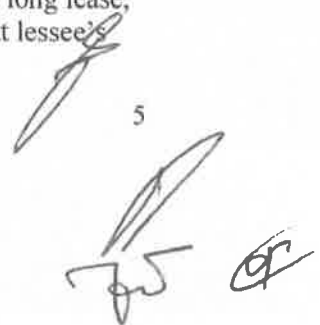
5.3. Furthermore the Parties agree that Caledonia needs to have the right of use of and ingress and egress or right of way to access the Caledonia long lease parcel, over a road through the domain parcel on which the public park is situated, during the term of the Caledonia long lease, or any extensions thereof, for its back of the house operations and for any other activities related to the operations of the Project. Such ingress and egress by Caledonia is required over a road on the part of the domain parcel on which the public park is situated, where the Caledonia long lease parcel adjoins the public park.

5.4. Therefore the Parties have agreed to establish an easement (in Dutch een "erfdienstbaarheid") regarding a road on the parcel of domain land on which the public park is situated to ensure this right of ingress and egress or right of way of Caledonia. This easement will be incorporated in the notarial deed containing the Caledonia Long Lease Amendment.

5.5. Furthermore the Parties have agreed to incorporate such stipulations in the notarial deed containing the Caledonia Long Lease Amendment in the form of qualitative rights and obligations ex article 6:251 and 6:252 civil code (in Dutch : "kwalitatieve rechten en verplichtingen") as are necessary and advisable to ensure :

- a) that the public park will, at all times during the term of the Caledonia long lease, or any extensions thereof, remain a public park, and that, during this term, it will continue to offer the right of light and view to the lessee of the Caledonia long lease as it currently does and that it will contain a prohibition to build, erect or have a (storied) building on the domain parcel on which the public park is situated, with the exception of one or more small constructions and/or facilities related to the public use of the park; and,
- b) that the public park will, at all times during the term of the Caledonia long lease, or any extensions thereof, be designed and maintained by the lessee at lessee's

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cost and expense in accordance with a plan, that is similar to the existing park and approved by the GOA;

5.6. Caledonia, as lessee under the long lease, has agreed to assume the obligation to design and maintain the public park, in accordance with a plan approved by the GOA, during the term of the Caledonia long lease, or any extensions thereof, provided that Caledonia will be granted the right to exercise such control over the public park as is reasonably necessary to carry out its maintenance obligations. The free access to the public park can only be limited if this is strictly necessary to carry out necessary maintenance and after permission from the GOA.

5.7. The GOA and Caledonia have agreed to enter into a separate management and maintenance contract with Caledonia for a period of 5 years, commencing on the date the new 60 year term of the Caledonia long lease starts, and renewable for consecutive 5 year periods. The management and maintenance contract will set forth the rights and obligations of the Parties in such detail as is necessary, along with a perpetual clause (“kettingbeding”) in order to impose these rights and obligations on any successor.

5.8. If Caledonia wishes to organize hotel related events in the public park, it must apply for and obtain the customary and required precario- and other licenses for such events.

6. Moving of the police station, beach house(s) and palapas in front of the Caledonia long lease parcel

6.1. Parties agree furthermore, that it is necessary and desirable to move the Beach Police Station, the palapas and the adjacent beach house in front of the Caledonia parcel to another location, to be designated by the GOA, as well as to remove the palapas in front of the Caledonia parcel, in order to create a beach front that meets the 5-star, luxury hotel standards of the St. Regis Aruba Resort, Casino, Spa & Residences Project. The GOA commits that it will do what is necessary to accomplish this prior to finalization of construction of the Project and its opening for operations.

6.2. All expenses associated with the demolition of the existing police station, the palapas and adjacent beach house and their (re)construction in a new location to be designated by the GOA will be paid for by lessee. DHC will have the right to carry out the demolition and re-construction works in consultation with DIP and DOW. The reconstructed works should be at least of the same size and quality and with the same interior and exterior as the existing ones.

7. Maximum height of buildings

Maximum height of buildings shall be 42 meters, provided however that the buildings will be designed in a tiered or layered fashion, details of which shall be agreed upon between Caledonia and the DIP and the Department of Public Works (DOW).

8. Parking spaces

8.1. Required parking spaces will be a minimum of 0.85 parking spaces per unit / key and 0.25 parking spaces per employee. Parking spaces must be within the boundaries of the long lease parcel and should be designed in consultation with DOW and the Police Department. Lessee will take appropriate measures to prevent its employees from parking their vehicles in the public park parking spaces in order to maintain the same number of parking spaces available to the public as exists at the moment.

8.2. Nevertheless, Caledonia, Marriott and DHC believe that, because of the small size of the long lease parcel and the need to design and build facilities, that meet the desired 5-star luxury hotel standards, it may be difficult to comply with the aforementioned parking requirements, without permitting guests or employees of the St. Regis Aruba Resort, to use some of the parking spaces in the public park parcel.

8.3. Therefore the GOA, Caledonia, DHC and Marriott agree to work together to find a solution for this problem acceptable to everyone. One of the possible approaches may be the construction by DHC of a number of additional parking spaces, over and above the current parking spaces on the public park parcel, so that these additional parking spaces can be used by either the general public or by guests or employees of the St. Regis Aruba Resort. DHC and the GOA's department of infrastructure, DIP, and the department of public works, DOW, will enter into consultations with each other to find a solution to the parking problem along these lines or through an alternative, mutually satisfactory arrangement.

9. Social and Economic Impact Assessment (SEIA)

9.1. The Parties agree that before the construction permit for the Project can be issued, Caledonia must first commission a Social and Economic Impact Assessment (SEIA), to be prepared by a recognized and experienced advisor, with broad experience in the Caribbean. The SEIA must address, among other things, the following matters

1. The potential consequences of the Project for the population, which term, as used here, is meant to include both residents as well as visitors (tourists).
2. The economic impact of the Project and its contribution to the real per capita Gross Domestic Product (GDP)
3. The effect of the Project on the adjacent real estate.
4. The potential consequences of the Project for the social and physical infrastructure.
5. The employment opportunities and the educational programs in connection with the Project.

9.2. The SEIA must be submitted to Aruba's Department of Infrastructure (DIP) for review within 3 months after the execution of this MOU.

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9.3. The Parties agree to consult with each other about the conclusions of the SEIA and to address such concerns as may arise from the SEIA with mutual consent and in a manner, that takes the public interest and the reasonable interests of all Parties into account.

9.4 The construction permit for the Project will be issued as soon as the parties have reached agreement about how to address the potential concerns arising from the SEIA and the Environmental Impact Assessment (“EIA”) discussed below, provided the applicant also complies with all legal and policy requirements for issuance of the construction permit.

10. Environmental Impact Assessment

10.1 The Parties agree that before the construction permit for the Project can be issued, Caledonia must first commission an Environmental Impact Assessment (EIA) for the Project, to be prepared by a recognized and experienced advisor to be approved by the GOA, as much as possible in consultation with local experts and environmental NGO's. The EIA must address, among other things, the following matters

1. The potential beach erosion, moving of the coastline and the silting-up of the sea at the location in question.
2. The esthetic aspects of the Project.
3. The potential water, soil and air-pollution, that the Project might create.
4. The possible impact of the Project on the ecological situation at the site and at the nearby important bird area.
5. The possible impact of the Project on the sea and marine-environment, particularly on the breeding grounds for the Logger Head Sea Turtles.
6. An aerodynamic study of the possible wind-effects caused by the Project, to be prepared by a recognized and experienced advisor (the “Wind Study”).

10.2. The EIA must be submitted to Aruba's Department of Infrastructure (DIP) for review within 3 months after the execution of this MOU. However, if necessary for completion of the Wind Study, Caledonia is granted an extension of 2 months after the initial 3 months, to submit the Wind Study.

10.3. The Parties agree to consult with each other about the conclusions of the EIA and to address such concerns as may arise from the EIA with mutual consent and in a manner, that takes the public interest and the reasonable interests of all Parties into account.

10.4 The construction permit for the Project will be issued as soon as the parties have reached agreement about how to address the potential concerns arising from the EIA and the SEIA discussed above, provided the applicant also complies with all legal and policy requirements for issuance of the construction permit. Lessee

will take all necessary measures to mitigate any and all unacceptable risks prior to receiving the construction permit.

11. Appraisal Report, Specification of Investment, Feasibility Study, Financing of Project, Management Agreement for the Project with the St. Regis Hotel Management Entity

11.1. Caledonia must present to DIP for review the following documents within sixty (60) days after execution of this MOU,

- a) An appraisal report of the Project.
- b) A specification / breakdown of the investment in the project.
- c) A feasibility study of the Project.
- d) Description of the manner in which the Project will be financed and authentic documents provided via a local bank that financing for the project has been approved and is guaranteed.

11.2. Marriott, DHC and Caledonia must furthermore present confirmation to the GOA within thirty (30) days after execution of this MOU, that Caledonia, DHC and the St. Regis Hotel Management Entity have reached agreement about all terms and conditions of the hotel management and related agreements for the management of the St. Regis Aruba Resort, Casino, Spa & Residences, with the understanding that the execution of the hotel management and related agreements will take place on the same date as the execution of the notarial deed containing the Caledonia Long Lease Amendment.

11.3 Marriott, Caledonia and DHC must also present to the GOA within thirty (30) days after execution of this MOU, a clear timetable, setting forth all steps in the process of design, development, construction, operation and management of the Project, together with preliminary plans and drawings.

11.4 Finally, Marriott and DHC will present the GOA with a letter outlining, in as much detail as possible, the essential elements of the agreements between Marriott and DHC regarding the operation and management of the Project and the licensing of the St. Regis brand. Such outline will cover all important items such as duration of the agreements, maintenance of safety and quality standards, reservation systems, use of the St. Regis brand, events of default or termination and obligation, in the event of termination, to find a subsequent hotel operator that meets the 5 star luxury hotel standards of the St. Regis. This letter will be presented to the GOA within forty-five (45) days after signing of this MOU.

12. Construction issues

12.1. Timetable for construction will be as follows. Construction must start within 6 months after the GOA has issued the construction permit for the Project. Construction must in principle be finalized within 36 months after the start of construction.

9



12.2. If however delays occur during the construction period of 36 months as a result of causes, which Caledonia, DHC or the contractor or sub-contractors executing the Project, acting in a commercially reasonable manner, could not reasonably avoid, such as for example, without being limited thereto,

- (i) unreasonable delays caused by the GOA or its agencies in issuing necessary permits or conducting required inspections, or allowing importation of materials or equipment, or performing any other official act that may be necessary, or
- (ii) unexpected or unavoidable delays in the delivery of necessary materials or equipment, that are not available at reasonable or competitive prices on the local market, or
- (iii) delays caused by work stoppages or strikes by private or public sector employees, or
- (iv) delays caused by Acts of God such as extreme weather, earthquakes, fire etcetera,

then such delays will be excused and the 36 months deadline for finalizing construction, will be extended in order to account for such delays.

12.3. Preparation for the Project, particularly with respect to the design, construction drawings and execution of the Project, must be done as much as possible with local professionals / companies, provided these professionals or companies are properly qualified and are available.

12.4. The detailed construction drawings necessary for the application for a building permit, to be prepared in consultation with the Public Works Department (DOW). The design must comply with the Building Ordinance. The building must be constructed using conventional building methods and innovative building techniques insofar as these meet all applicable building and safety standards.

13. Performance bond / irrevocable bank guarantee

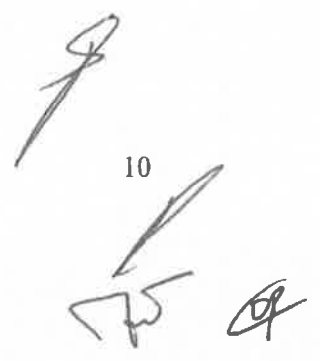
Caledonia must procure an irrevocable bank guarantee for the benefit of the GOA in the amount of 10% of the total investment in the Project, in order to guarantee performance of its obligations under the long lease. This bank guarantee has to be issued by a local bank. The bank guarantee must be submitted to the Directorate of Infrastructure and Planning **two (2) weeks** before execution of the notarial deed containing the Caledonia Long Lease Amendment. The bank guarantee will be released once the resort has been built and has opened for operation.

14. Charitable contribution of 7,5 per thousand of the total investment in the Project

Caledonia must also make a social / charitable contribution to a foundation or cause to be agreed to with the GOA equal to 7,5 per thousand of the total investment in the Project. This contribution must be made within 12 months after execution of the notarial deed containing the Caledonia Long Lease Amendment .

15. Costs related to preparations for the Project

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Caledonia, Marriott and DHC will each pay for costs incurred by them for preparation of this MOU and Caledonia will pay for all costs of preparation of the notarial deed containing the Caledonia Long Lease Amendments and for all other other expenses, fees and contributions in connection with preparations for the Project. Caledonia, Marriott and DHC will share in those expenses in such manner as they will agree between themselves.

16. Except for the stipulations of this MOU all other conditions of the Caledonia long lease will remain intact

The Parties agree, that, except for the stipulations in this MOU, which will form the basis for the Caledonia Long Lease Amendment, all other terms and conditions of the existing Caledonia long lease will remain intact.

17. MOU is non-binding and subject to definitive contract and agreement about notarial deed of amendment of the Caledonia long lease

17.1. The Parties agree that the terms and conditions set forth in this MOU, are non-binding in the sense that they are subject to agreement of the Parties about the terms and conditions of the notarial deed required for amending the Caledonia long lease. All internal governmental and corporate approvals have been obtained by all Parties in order to be authorized to sign this MOU.

17.2. None of the Parties will have any liability or obligation towards the other Party or Parties, based on this MOU, or their negotiations for this MOU, if they are unable to agree on the terms and conditions of the notarial deed for the Caledonia Long Lease Amendment. Any Party may terminate these negotiations regarding the terms and conditions of the notarial deed for the Caledonia Long Lease Amendment at any moment prior to the execution of the notarial deed for the Caledonia Long Lease Amendment, with or without providing any reason for the termination. Termination can take place, without the intervention of a court, through electronic mail sent by the attorney of any Party to the attorney of any or all other Parties to this MOU. None of the Parties can be obliged to continue or resume the negotiations in case any Party has terminated these prior to the execution of the notarial deed for the Caledonia Long Lease Amendment. Without restricting any right referred to in article 17.3 of this MOU, none of the Parties will have any liability for damages towards the other Party or Parties, or the terminating Party, related to any termination of these negotiations prior to the execution of the notarial deed for the Caledonia Long Lease Amendment.

17.3. There is a dispute between the GOA, Caledonia and Marriott regarding the (non-) compliance by Caledonia with its obligations under the long lease to build and operate the time share resort for which purpose the long lease had been issued. The Parties have agreed to hold off on legal actions with respect to this dispute in order to enter into negotiations about an amendment of the Caledonia long lease, as described in this MOU. The GOA, Marriott and Caledonia reserve all rights and remedies in connection with a possible termination of the Caledonia long lease by the GOA, in the event that they are unable to agree on the terms and conditions of the notarial

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deed for the Caledonia Long Lease Amendment. It is clearly understood by all Parties that this MOU, the negotiations, or the termination of the negotiations as meant in article 17.2 will in no way change, restrict or limit the rights of the GOA related to the possible termination of the Caledonia long lease.

17.4. The Parties agree that the following legal documents mentioned or referred to in this MOU shall be signed simultaneously / on the same date, because of their close relation to each other :

- (i) The notarial deed containing the Caledonia Long Lease Amendment, including the easement and stipulations regarding qualitative rights and obligations ex article 6:251 and 6:252 civil code mentioned in paragraph 5.4. and 5.5. of this MOU;
- (ii) The legal document by which transfer or conveyance of the long lease parcel OR of the shares of Caledonia to DHC will take place;
- (iii) The hotel management and related agreements between Marriott, the St. Regis Management Entity and DHC;

18. Governing law and competent courts

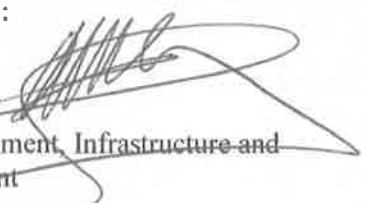
This MOU is governed by the laws of Aruba. Any disputes arising from or in connection with this MOU, shall be adjudicated by the competent Aruban courts exclusively.

THUS AGREED TO in Aruba on September 18, 2018

SIGNATURE PAGE FOLLOWS

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The Public Legal Entity LAND ARUBA
Represented by :


The Minister of
Spatial Development, Infrastructure and
The Environment

And


The Minister of Tourism,
Public Health and Sport

CALEDONIA PROPERTIES N.V.
Represented by :


Standard Trust Company N.V.,
Managing Director

MARRIOTT INTERNATIONAL INC.
Represented by :


Mr/Ms
Vice-President

**DESAROLLOS HOTELCO DEVELOPMENT COMPANY N.V. (or its
designee)**

Represented by :


Mr. Walter Stipa,
Managing Director

