

[REDACTED]

From: Karim Alibhai
Sent: Wednesday, March 25, 2020 1:31 PM
To: Premier David Burt; Caines, Wayne M.; DeSilva, Zane J.; Dickinson, Curtis L.
Cc: Phil Keb; Blythe N. Pierre-Louis
Subject: Gencom's Bermuda Hotels

Honorable Premier Burt and esteemed Ministers Caines, De Silva, and Dickinson –

I hope all is well with you and your families, given the unprecedented set of circumstances in which we find ourselves. Given the relationship, I wanted to reach out to be forthright in giving you all a heads up on our interim plans at both Fairmont and Rosewood. At this juncture, in light of the global financial crisis, given lack of airlift and strict restrictions on gathering, we have been left with no choice but to close both properties for a period of time to allow travel patterns to return as well as improved market conditions.

In both situations, as you can appreciate, the property will implement significant layoffs. We are currently working with both lenders to cooperatively deal with us, given the significance of what this means financially. More importantly, for Fairmont Southampton, our strategic goals remain focused on implementation of the larger redevelopment plan but clearly there is no financing market today. It is unclear when that condition will change and what form lending will take coming out of this turmoil.

As you can appreciate, there has been an extensive level of effort exerted by my team and each respective property's leadership to both prudently plan for the near-term as well as think about the longer-term goals. Each respective hotel team has also been in direct contact with the BIU to communicate the proper messaging as we navigate through the overall process.

Early next week, let's plan to speak collectively on the current state of play (which continues to evolve). I will plan on having both Chris Maybury as well as Blythe and Phil join me for this discussion.

Best regards,

Karim



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[REDACTED]

From: Telemaque, Marc
Sent: Friday, October 16, 2020 2:07 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Fairmont Southampton - URGENT
Signed By: [REDACTED]
Importance: High

Good afternoon all. I have had the opportunity to speak with the hotel's GM and Chris Furbert today. The proposal that the owed vacation pay be deferred until March (or until financing is secured) is not acceptable. It unduly prejudices the workers and is not supported. Resultantly and in the knowledge that you have reverted overnight with proposed revisions to the MOU and other documents, I have asked that an announcement to the staff be held until at least Monday. This issue should be resolved before issuing any notice that will very quickly become public.

Regards,

Marc

From: Blythe N. Pierre-Louis [mailto:[REDACTED]]
Sent: Friday, October 16, 2020 1:21 PM
To: Dickinson, Curtis L. <[REDACTED]>; Telemaque, Marc <[REDACTED]>; Karim Alibhai <[REDACTED]>
Cc: Premier D. Burt <[REDACTED]>; [REDACTED]; Phil Keb <[REDACTED]>; Laurens Fuchs <[REDACTED]>; Manders, Anthony <[REDACTED]>; Keats, Brian <[REDACTED]>
Subject: RE: Fairmont Southampton - URGENT

Minister Dickinson and team –

I neglected in my email yesterday to request that we put a time in the diary for a follow-up call (with you or your team members) to speak through understandings.

We can make ourselves available to discuss when convenient.

Best,
Blythe

From: Blythe N. Pierre-Louis
Sent: Thursday, October 15, 2020 5:40 PM
To: Dickinson, Curtis L. <[REDACTED]>; Telemaque, Marc <[REDACTED]>; Karim Alibhai <[REDACTED]>

Cc: Premier D. Burt [REDACTED]; [REDACTED]; Phil Keb [REDACTED]; Laurens Fuchs [REDACTED]; Manders, Anthony [REDACTED]; Keats, Brian [REDACTED]
Subject: RE: Fairmont Southampton - URGENT

Minister Dickinson and team –

To follow-up on our discussion this morning, see attached clean and marked copy of the Fairmont redundancy MOU (redlined versus your version of last night) for further discussion. I have also attached a form NDA for signature, given the nature of the information requested within the MOU.

We can make ourselves available to speak at your convenience to keep the discussions moving along.

Best,
Blythe

From: Dickinson, Curtis L. [REDACTED]
Sent: Wednesday, October 14, 2020 5:57 PM
To: Telemaque, Marc [REDACTED]; Karim Alibhai [REDACTED]
Cc: Premier D. Burt [REDACTED]; [REDACTED]; Phil Keb [REDACTED]; Laurens Fuchs [REDACTED]; Blythe N. Pierre-Louis [REDACTED]; Manders, Anthony [REDACTED]; Keats, Brian [REDACTED]
Subject: RE: Fairmont Southampton - URGENT

Good evening,

Following on from the response from the CS, attached please find attached a marked copy of the draft MOU.

Additionally, while the Government is considering the position of the employees, it must be clear that the amounts owed to employees (inclusive of all payments) are solely the responsibility of Westend Properties Limited. We are committed to supporting you in that endeavor on the terms contained in the attached MOU, but the Bermuda Government is fully prepared to lead a resolution for the employees in conjunction with the leadership of the Bermuda Industrial Union in the event you are unable to meet your financial obligations.

Further, no support for funding (construction or otherwise) outside of the \$50 million previously contained in the Letter of Intent (December 2019) has been agreed. Accordingly, while we support your efforts to obtain further financing, it must be understood that this must be on top of cash equity provided by you, as sponsor, so as to meet the equity component of the deal. As we have previously communicated, we have been advised that market deals are presently 50% of loan to cost. We have modelled up to 62% loan to cost but without further guarantees from the Government. This support can be communicated to your prospective lenders in your discussions, but no other forms of guarantee should be proposed.

Regards,



The Hon. Curtis L. Dickinson, JP MP

Minister of Finance

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Save paper. Think before you print.

From: Telemaque, Marc

Sent: Wednesday, October 14, 2020 3:47 PM

To: [REDACTED]

Cc: Premier D. Burt [REDACTED]; Dickinson, Curtis L. [REDACTED]; [REDACTED]

[REDACTED]; [REDACTED]; [REDACTED]

Subject: RE: Fairmont Southampton - URGENT

Karim, thank you. I expect that you will have a substantive position by return later today. In the interim, can you advise the expected quantum of the redundancy payments to be made.

Regards,

Marc

From: Karim Alibhai [mailto:[REDACTED]]

Sent: Wednesday, October 14, 2020 3:24 PM

To: Telemaque, Marc [REDACTED]

Cc: Premier D. Burt [REDACTED]; Dickinson, Curtis L. [REDACTED]; Chris Maybury

[REDACTED]; [REDACTED]; Phil Keb [REDACTED]; Laurens Fuchs

[REDACTED]; Blythe N. Pierre-Louis [REDACTED]

Subject: Fairmont Southampton - URGENT

Marc –

Hope all is well. At this point, we need to have an emergency call with all relevant parties ASAP given we have reached a breaking point on follow-up required for the key Fairmont matters.

More specifically, the immediate fire is to resolve Government's redundancy participation given the payments are due and owing to 750+ employees on October 23rd. Any change to this schedule/date requires us to send a notice no later than this Friday. The hotel is prepping the notice letters as we speak. We last met on island on September 3rd (nearly 7 weeks ago) and then subsequently had several direct calls with you to guide efforts on how to best work through the various items.

As you can appreciate, how the redundancy was initially handled was a coordinated waltz and if transparency on payment timing is not handled properly, the PR nightmare avoided weeks ago will become an unwieldy reality in a number of days. It was our collective understanding that the Government had agreed to fund 50% of the total redundancy amount, with the remainder to come from Westend (and such was communicated to President Furbert and the union). While initially we fielded your questions around how and when such amounts would be repaid, we have not received any further input

which is very concerning. The only way to get back on track is to actively negotiate a simple form loan agreement that can be fast-tracked to meet our respective objectives.

At this stage in the process, to emphasize, we have an obligation to alert the BIU leadership in order to maintain a consistent level of transparency and avert a misstep. Specifically, Fairmont continues to clamor my team for real-time updates daily as they are (more importantly) obligated to send out a mass communication to all employees this Friday outlining that the payments will not be made on October 23rd. The key follow-up points will be articulating an outside date for payment as well as the reasons for delay. We will forward along the proposed draft communication once available (prior to distribution). However, we intend to assert that both Ownership and Government are working to finish documentation required on the related funding but that the payment commitment to employees remains intact. We need to be able to articulate an outside payment date that is realistic to achieve.

On the project financing front, I had set up meetings in New York early next week to present this deal to senior lenders, However, with the lack of progress, I have nothing to demonstrate in terms of the Government's level of commitment to the redevelopment financing. This has set back the timing of the overall approach. Moreover, given where things sit today, we have missed the window to be able to start the project's construction until at least March/April 2021 (at the earliest), which will delay the influx of construction related jobs for Bermudians.

Please confirm when we can all convene on a call as we are on the cusp of an unfortunate crisis.

Best regards,

Karim



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