

**REINSTATEMENT AND
AMENDMENT TO LEASE**

REINSTATEMENT & AMENDMENT TO LEASE
(Water Island Ground Lease)

This Amendment to Lease (this "Amendment") is made this ___ day of _____, 2026 (the "Effective Date"), by the **GOVERNMENT OF THE VIRGIN ISLANDS** acting by and through its Department of Property and Procurement ("Lessor"), and **WATER ISLAND DEVELOPMENT COMPANY, LLC**, a U.S. Virgin Islands limited liability company ("Lessee") (together Lessor and Lessee are, collectively, the "Parties" and each individually, a "Party"). Capitalized terms used herein and not otherwise defined have the meanings set forth in the Original Lease (as defined below).

WITNESSETH:

WHEREAS, the Parties entered into that certain Lease Agreement dated November 19, 2014 (the "Original Lease") for certain real property located at Water Island, U.S. Virgin Islands, therein defined as the "Premises." The Premises is part of a total of approximately 197.82 acres on Water Island (the "GVI Tract") that were deeded by the United States of America, acting through the Department of the Interior, to the Lessor. The Lease contemplates the development of the Premises as the Water Island Hotel and Marina. In addition, it contemplates the sale by Lessor to Lessee of approximately 55 acres of land from the GVI Tract for residential development associated with the development of the Water Island Hotel and Marina (the "Additional Resort Land"); and

WHEREAS, the Parties have discussed how best to integrate the Water Island Hotel and Marina and the Additional Resort Land with the use of the remainder of the GVI Tract in light of the following mutually shared goals for Water Island development of the Water Island Hotel and Marina as a "high-end" (e.g., Hilton's Waldorf Astoria brand, IHG (Kimpton), Park Hyatt, Marriott (St. Regis), or comparable equivalent) destination resort hotel and marina with residential for-sale opportunities and community development facilities as part of the Water Island Hotel and Marina as further described in the Lease; and

WHEREAS, Lessee has produced a comprehensive conceptual plan for the development of a portion of the GVI Tract, a copy of which has been provided to Lessor as of the Effective Date and is attached hereto as Exhibit A (the "Comprehensive Plan");

WHEREAS, in furtherance of the Comprehensive Plan, the successful implementation of which the Government of the Virgin Islands deems to be in furtherance of the public welfare and economic development of the Virgin Islands as a premier tourism destination in the Caribbean, the Parties have agreed to make certain amendments to the Lease as hereinafter described; and

WHEREAS, the Parties desire to amend the Original Lease to (i) restate and clarify the mechanics of the Acquisition Option (as defined in Section 2.2 herein) and the Acquisition Sub-Option (as defined in Section 2.2.1 herein) for disposition of Residential Units (as defined in Section 2.1 herein), including notice, deed, escrow and closing procedures; (ii) align the Lease with Title 31, Section 205 of the Virgin Islands Code by providing that, upon the enactment of an

act of the Legislature of the Territory (the "Legislature") approving this Amendment (the "Approving Act"), and delegating authority to the Commissioner of the Department of Property and Procurement (the "Commissioner"), the Commissioner is authorized and directed, without any further legislative act, to execute and record deeds for such Residential Unit conveyances upon satisfaction of stated conditions and with the Governor's written approval; (iii) authorize, upon enactment of the Approving Act and subject to applicable permits and approvals, the addition to the Premises of up to two ancillary St. Thomas Parcels (as defined in Section 1.4.1 herein) for barging/staging and heliport/helipad uses on economic terms substantially consistent with Section 1.4; and (iv) make related conforming changes, including to Sections 2.2.1, 2.3, 2.4 and 9.2; (v) extend certain period and time frames to align with the current project schedule and commencing as of the Effective Date of this Amendment; (vi) add certain additional lands to the Premises; (vii) memorialize Lessor and Lessee coordination, information sharing, and cooperation with regard to certain project prerogatives of Lessee required for the feasibility of for Water Island development of the Water Island Hotel and Marina including securing access and use of certain ancillary lands, the submerged lands, and obtaining certain economic development and tax incentive programs

WHEREAS, the Parties therefore agree to amend the Lease as follows.

NOW THEREFORE, in consideration of foregoing, which are not merely precatory but are a substantive part of this Amendment, and the mutual covenants and agreements herein set forth, the Parties, intending to be legally bound, it is hereby agreed:

1. MODIFIED LEASED LAND. The Description of the Premises in the Original Lease (with giving effect to this Amendment, hereinafter, the "Lease"), as of the Effective Date, is amended to comprise all of the real property described on Exhibit B, attached hereto and made a part hereof, including the following:

1.1 The Additional Resort Land. The "Additional Resort Land" shall consist of the land so described on Exhibit B. The Additional Resort Land is hereby added to and made a part of the Premises.

1.1.1 Base Rent. Section 3.01 of the Original Lease, the first sentence, is hereby deleted and replaced to read as follows:

"Upon expiration of the Construction Rent Period (as defined in Section 3.02 of the Original Lease): (a) Lessee shall pay to Lessor an annual base rent of ONE HUNDRED AND TWENTY THOUSAND DOLLARS AND NO CENTS (\$120,000.00) payable in equal monthly installments of TEN THOUSAND DOLLARS AND NO CENTS (\$10,000.00) (the "Base Rent").

As of the twentieth (20th) anniversary of the Effective Date, the Base Rent shall increase to be an amount equal to TWO HUNDRED AND FORTY THOUSAND DOLLARS AND NO CENTS (\$240,000.00) payable in equal monthly installments of TWENTY THOUSAND DOLLARS AND NO CENTS.

Effective as of the Twenty Fifth (25th) anniversary of the Effective Date, and every five (5) consecutive years thereafter during the Term, the Base Rent payable under this Lease shall be adjusted to increase by an amount proportionate to five percent (5%). For example: on the Twenty

Fifth Anniversary the Base Rent shall increase to Two Hundred Sixty Two Thousand Five Hundred Dollars and No Cents (\$262,500.00) payable in monthly installments of Twenty One Thousand Eight Hundred Seventy Five Dollars and No Cents (\$21,875.00); on the Thirtieth Anniversary the Base Rent shall increase to Two Hundred Seventy Five Thousand Six Hundred Twenty Five Dollars and No Cents (\$275,625.00) payable in monthly installments of Twenty Two Thousand Nine Hundred Sixty Eight Dollars and Seventy Five Cents (\$22,968.75); and so on until the expiration of the Term.”

1.2 The Landing Parcel. Tract E Water Island, No. 10, including the parcel of land that has the Water Island post office located on it, all as more particularly described on Exhibit B (collectively, the “Landing Parcel”), Lessor will work with Lessee to add to and make a non-exclusive part of the Premises. The Landing Parcel may be used for the purpose of supporting the current level of public ferry operations, public access, and including provision of public parking facilities and restrooms. Lessee agrees to build a paved public parking area on the Landing Parcel and to construct and provide public restrooms, to be reasonably determined and identified by the Parties in the Plan.

1.3 Lessor will use reasonable good faith efforts to assist Lessee in its efforts to lease or otherwise obtain a lease and right of use from the Territory’s Department of Planning and Natural Resources (“DPNR”) of certain submerged lands as described in Section 5 and Exhibit A, which will be separate and apart from this Lease and the Premises (the “Submerged Lands”). Notwithstanding Lessee’s prior election to waive the contingency set forth in Section 2.01(b) of the Lease for the approval by the Department of the Interior of the purchase of the Additional Resort Land, such contingency is hereby reinstated and shall be applicable to the entire Premises, and, as of the date hereof, such contingency shall also include DPNR approval of the Submerged Lands being granted for use by the Lessee in conjunction with the Premises, in form and substance to Lessee’s reasonable satisfaction.

1.4 The St. Thomas Heliport Parcel.

1.4.1 Lessor will use reasonable good faith efforts to assist Lessee in its efforts to identify and secure one or more parcels in St. Thomas in order to facilitate: (a) the more immediate need of barge landing, storage, and staging site and to support construction and ongoing operations related to development and operation of the Water Island Hotel and Marina in compliance with all Legal Requirements; and (b) the subsequent need of a convenient travel point between the Premises, St. Thomas, St. John, and St. Croix for resort guests and residents to and from the Water Island Hotel and Marina in compliance with all Legal Requirements, as any such parcel(s) is/are available (each, a “St. Thomas Parcel”). If any such parcel is owned by and under the control of Lessor, and available for use as Lessor determines, then when and if so identified and agreed upon by the Parties, the St. Thomas Parcel shall be added to and made a part of the Premises. The value of the St. Thomas Parcel shall be established by existing Department of Property and Procurement appraisal procedures, and the rent shall be determined based on the Term (i.e., 99-year lease) with a capitalization rate of five percent (5%). Such rent for the St. Thomas Parcel shall be payable in addition to Base Rent. The St. Thomas Parcel shall be used as a barge landing, storage, and staging site and to support construction and ongoing operations related to development and operation of the Water Island Hotel and Marina in compliance with all Legal Requirements.

1.4.2 Subject to receipt of the customary regulatory approvals and permits in compliance with all Legal Requirements, Lessee shall have the right to make such reasonable Improvements to the St. Thomas Parcel as the Lessee deems necessary to support the development and operation of the Water Island Hotel and Marina.

1.4.3 Legislative Pre-Authorization for Ancillary St. Thomas Parcels. Upon enactment of the Approving Act, and subject to Title 31, Section 205, the Commissioner is authorized and directed, without further act of the Legislature, to execute one or more site leases to add to the Premises up to two (2) St. Thomas Parcels for barging, storage and staging uses and for a heliport/helipad to support the Water Island Hotel and Marina, each for a term to be coterminous with the Term (and this Lease), on economic terms substantially consistent with Section 1.4.1 (including rent based on Department of Property and Procurement appraisal procedures and a five percent (5%) capitalization rate), provided that: (i) each Parcel is identified by metes and bounds; (ii) each such lease is approved as to legal sufficiency and form by the Attorney General of the Territory and bears the Governor's written approval as required by Title 31, Section 205(b); and (iii) all required permits and approvals, including Department of Planning and Natural Resources/Coastal Zone Management approvals and any earth-change permits, are obtained. No further act of the Legislature shall be required for such site leases executed in compliance with this Section 1.4 and the Approving Act.

1.5 Excluded Land. Notwithstanding anything to the contrary herein this Section 1, as of the Effective Date the following real property shall be excluded from the Premises

1.5.1 Catchment Area. The area of real property depicted in Exhibit B-1 attached hereto and identified therein as the "Catchment Area" consisting of approximately 3 acres shall be removed from the Premises and revert back to the Lessor unencumbered by the Lease.

1.5.2 Tract C. The area of real property depicted in Exhibit B-1 attached hereto and identified therein as "Tract C," consisting of approximately 11.9 acres, commonly known as Honeymoon Beach shall be removed from the Premises and revert back to the Lessor unencumbered by the Lease.

2. RESIDENTIAL SALES

2.1 The permitted uses of the Premises, including the Additional Resort Land shall include the subdivision and development of certain portions of the Premises, as expressly identified in Exhibit A, for residential or short-term rental vacation housing (including condominiums, townhouses, and single-family lots) (collectively, "Residential Units") and fee simple sales thereof ("Residential Sales") in compliance with all Legal Requirements, in addition to the other permitted uses under the Lease. For the avoidance of doubt, as referenced in Section 1.3 hereinabove, the contingency set forth in Section 2.01(b) of the Lease for the approval by the Department of the Interior of the purchase of the Additional Resort Land has been reinstated and shall be applicable to the entire Premises, as aforesaid.

2.2 To facilitate the Residential Units (and resulting Residential Sales), the Lessee is hereby granted an option (the "Acquisition Option") to acquire such certain portions of the Premises in fee simple under the terms hereinafter set forth.

2.2.1 The Acquisition Option may be exercised incrementally for certain portions of the Premises subject to the Acquisition Option (each, an “Acquisition Sub-Option”) by written notice from Lessee to Lessor at least fifteen (15) days (but not more than ninety (90) days) prior to entering into a purchase agreement with a Residential Purchaser for the underlying fee interest and a completed, improved and vertically constructed residence (each, a “Residential Purchaser”), together with a plan depicting and a narrative describing by metes and bounds the portion of the Premises to be acquired, the intended use in compliance with all Legal Requirements, and the purchase price for such option (each, an “Option Notice”). Each Acquisition Sub-Option may be exercised only with respect to a Residential Purchaser. In connection with each Acquisition Sub-Option, Lessee shall partially assign to the Residential Purchaser, at no cost to Lessor, Lessee’s rights under the Acquisition Option to the extent necessary to permit the Residential Purchaser to receive fee simple title directly from Lessor at closing. No later than ninety (90) days prior to the scheduled closing date for each Residential Sale, Lessor shall deliver into escrow a deed executed by the Commissioner (or designee), with the Governor’s written approval endorsed thereon as required by Title 31, Section 205(b), to be held and released at closing upon satisfaction of Sections 2.3.1 and 2.3.3. All such conveyances shall be subject to recorded deed restrictions developed by Lessee and approved by Lessor, which restrictions must be consistent with the provisions of the Lease, the applicable Resort Approvals, and the applicable Legal Requirements.

2.3 The Parties acknowledge that (a) the Governor of the Virgin Islands must approve, on behalf of the Government of the Virgin Islands, all conveyances, leases or other instruments relating to the disposition of government real estate, and (b) leases or subleases for terms exceeding one (1) year and other dispositions specified in Title 31, Section 205(c) must be approved by Act of the Legislature. Upon enactment of the Approving Act, the Commissioner is authorized and directed, without any further act of the Legislature, to execute, acknowledge, deliver and record deeds conveying fee simple title to those portions of the Premises identified in the applicable Option Notice(s) to the applicable Residential Purchaser(s), upon satisfaction of the conditions precedent set forth in this Article 2 and in the Approving Act, with the Governor’s written approval evidenced upon each such deed as required by Title 31, Section 205(b). The Commissioner’s deed, when recorded, shall constitute conclusive evidence in favor of bona fide purchasers and encumbrancers for value that the conditions precedent set forth in this Section 2.3 and in the Approving Act have been satisfied.

2.3.1 Conditions Precedent. The Commissioner’s authority to convey is conditioned on: (i) Lessee’s delivery of an Option Notice compliant with Section 2.2.1 identifying by legal description the land underlying the Residential Unit; (ii) delivery of an ALTA title insurance commitment showing title vested in Lessor and insurable to the Residential Purchaser subject only to Permitted Encumbrances; (iii) Lessee’s certification that no Event of Default then exists; and (iv) satisfaction of any appraisal, public-notice, coastal zone, historic-preservation, earth-change and other applicable Legal Requirements.

2.3.2 Form of Deed; Approvals as to Form. Each deed shall be in the form of special warranty deed, and shall be approved by the Commissioner and its outside counsel, as well as approved as to legal sufficiency and form by the Attorney General of the Territory, and shall bear the Governor’s written approval as required by Title 31, Section 205(b). Once the conditions in Section 2.3.1 are satisfied, such approvals are deemed ministerial.

2.3.3 Escrow Mechanics. No later than ninety (90) days prior to the scheduled closing for a Residential Sale, Lessor shall deliver into escrow an executed deed meeting the requirements of Section 2.3.2. Escrow is authorized to release such deed upon receipt of the: (a) the purchase proceeds for such Residential Sale and remitting the applicable Residential Sale Participation (as defined in Section 2.5 below) to Lessor; and (b) evidence reasonably required by Lessor establishing satisfaction of the conditions in Section 2.3.1 for such Residential Sale. If Lessor reasonably objects prior to release, the Parties shall resolve the objection within ten (10) Business Days; failing resolution, either Party may seek specific performance.

2.3.4 Savings; Consistency with Law. Nothing herein authorizes a disposition prohibited by Title 31, Section 205(f)–(i). All conveyances shall comply with all applicable Legal Requirements, including coastal zone and earth-change approvals where required.

2.4 Lessor agrees to use reasonable efforts in compliance with all Legal Requirements to provide Lessee such further assistance as it may reasonably require to communicate the validity of the Acquisition Option and of conveyances of a Residential Unit to a Residential Purchaser, as may be reasonably requested by any duly licensed and reputable title insurance company insuring Lessee's rights pursuant to the Acquisition Option or Residential Purchasers' fee simple interests in the Residential Unit, subject as aforesaid. Lessor shall execute such ministerial certificates as a nationally recognized title insurer may reasonably require to confirm the Approving Act's self-executing delegation and the satisfaction (or deemed satisfaction) of the conditions precedent in Section 2.3.1, it being the Parties' intent that no further legislative act is required once the Approving Act is in force.

2.5 Upon the closing of each Residential Unit to a Residential Purchaser, Lessee shall pay Lessor the sum equal to Six percent (6%) of the gross purchase price paid by such Residential Purchaser for the Residential Unit (each, a "Residential Sales Participation"):

3. TIME EXTENSIONS.

3.1 Section 2.01 of the Original Lease is hereby amended to the following: "Term. The initial term of this Lease shall be for a period of ninety-nine (99) years (the "Term") commencing on May 1, 2026 and shall be extended by up to two (2) years (i.e., for an aggregate of 101 years) following satisfaction of the following conditions precedent:"

3.2 Section 3.02 of the Original Lease is hereby amended by deleting the last sentence beginning with "As used herein" and replacing it with "As used herein, the "Construction Rent Period" commences on the Effective Date and expires upon the earlier of: (a) Substantial Completion of the Improvements; or (b) expiration of the Construction Period (as defined in Section 4.04 of the Original Lease) ("Completion Date")."

3.3 Section 4.01 of the Original Lease is hereby amended to delete and replace "\$140,000,000.00" with "\$300,000,000.00."

3.4 Section 4.02 of the Original Lease is hereby amended to extend the date by which Lessee is required to obtain binding commitments for financing from available public and

private sources, by deleting and replacing the "Effective Date" with the "Effective Date" as stated in this Amendment (i.e., so such 24-month period shall run from the "Effective Date" of this Amendment).

3.5 Section 9.06 of the Original Lease is deleted and replaced with the following:

"Section 9.06. Subleasing. Lessee: (i) shall not sublet the Premises in whole or in part without Lessor's prior written consent, which consent may not be unreasonably withheld or delayed (except to a Leasehold Mortgagee, for which any such sublease shall require at least 30 days' prior notice to Lessor); and (ii) may sublease to Lessee's Leasehold Mortgagee or to a reputable and creditworthy concessionaires to sublease a portion of the Premises for retail or service operations in the normal course of business of a resort hotel (for which any such sublease shall require at least 10 days' prior notice to Lessor and no consent shall be required from Lessor), provided that any such subletting in foregoing (i) and (ii) shall be further subject to the following:

(a) Both at the time of Lessee's request to Lessor for Lessor's consent (or if Lessor consent is not required, at the time of the prior notice as aforesaid) and the time when the sublease is to commence (after Lessor's consent has been given or its timely notice received) there is no Event of Default (as defined below) continuing and there is no material breach which, if not cured by the expiration of any applicable grace or cure period, would become an Event of Default;

(b) Any such sublease shall be subject to all of the terms and conditions of the Lease, and Lessee shall be primarily responsible for any violation of the Lease caused by any subtenants;

(c) Each sublease shall be subject and subordinate to the provisions of the Lease (and all future amendments to the Lease). No sublease shall affect or reduce any of the obligations of Lessee hereunder, and all such obligations shall continue in full force and effect as obligations of a principal and not as obligations of a guarantor, as if no sublease had been made. No sublease shall impose any additional obligations on Lessor under the Lease;

(d) Lessee shall, within ten (10) days after the execution and delivery of any sublease, deliver a full and complete duplicate copy thereof to Lessor. Failure of Lessee to provide an executed copy shall not constitute an Event of Default in itself and shall be subject to all notice and cure periods provided in the Lease, and, upon Lessor's request a copy shall be promptly provided by Lessee;

(e) As security for performance of its obligations under the Lease, Lessee hereby collaterally assigns to Lessor all right, title and interest of Lessee in and to all subleases now or hereafter in effect entered into for any part or all of the Premises and any and all extensions, modifications and renewals thereof and all rents, issues and profits therefrom. Provided no Event of Default has occurred, Lessee shall be entitled to all rents, issues and profits from such sublease, subject to subparagraph 9.06(g) below.

(f) Lessor shall have no obligation to recognize any or to agree to not disturb any subtenant of Lessee upon any Event of Default of Lessee under the Lease, unless Lessor shall

agree to do so in writing by separate instrument, but Lessor shall have no obligation to do so. Lessor's consent to any sublease shall not be construed as or imply any agreement on Lessor's part to recognize any subtenant. In the event of Lessee's surrender of the Lease or the termination of the Lease for any reason or by any circumstance, Lessor may, at its option, either terminate any or all subtenancies or succeed to the interest of Lessee as sublandlord thereunder (except to the extent that Lessor has entered into a non-disturbance agreement with a subtenant). During the time that any Event of Default has occurred hereunder, whether or not Lessor has had a receiver of rents appointed for the Premises, Lessor (or a receiver on behalf of Lessor) may collect from each subtenant all rent payable by such subtenant pursuant to its Sublease and apply it toward Lessee's obligations under the Lease. ANY SUBTENANT OF THE PREMISES IS HEREBY PROVIDED WITH NOTICE THAT SUBTENANT SHALL BE REQUIRED TO PAY ALL SUBLEASE RENT DIRECTLY TO LESSOR (OR TO A RECEIVER ON BEHALF OF LESSOR) UPON RECEIPT OF NOTICE FROM LESSOR OR FROM SUCH RECEIVER ON BEHALF OF LESSOR THAT AN EVENT OF DEFAULT SHALL HAVE OCCURRED UNDER THIS LEASE.

(g) If the subtenant is engaged in the business of constructing or operating of all or substantially all of the Water Island Hotel and Marina (but expressly excepting any management agreements, franchise agreements, "manchise" agreements, community owner associations, home owner associations, and the like), Lessee shall pay over to Lessor, as Additional Rent, a sum equal to 15% of the gross amounts payable to Lessee (or to any affiliate of Lessee); and

(h) If the subtenant is wholly owned by Lessee or is engaged in the business of owning or operating a commercial venture (other than the Water Island Hotel and Marina) on or originating from the Premises in support of the operation of the Water Island Hotel and Marina, including (but not limited to) one or more of the restaurants, marina, beach bar, retail use, general office use, watersports activities, tourist excursions or the like, then Lessee shall not be required to pay over to Lessor any part of the subleasing gross income from any such venture.

(i) All Additional Rent payable under this paragraph 9.06 shall be paid over to Lessor on the next day that a payment of Base Rent is due after such Additional Rent is due from the subtenant. A sublease of any portion of the Premises without Lessor's consent shall be considered a "Transfer" hereunder."

4. FINANCING AND MISCELLANEOUS AMENDMENTS

4.1 The last sentence of Section 4.08 of the Original Lease ("Excavation and Sorting") is deleted and replaced with the following: "Lessee shall not by reason of any such excavation or work, have any claim against Lessor for damages or indemnity or for suspension, diminution, abatement or reduction of rent under this Lease, except as in Section 3.02 above."

4.2 [Intentionally Omitted].

4.3 [Intentionally Omitted].

4.4 Section 9.04 of the Original Lease is amended to add a new subsection (c) that reads as follows:

“After the occurrence and during the continuation of any Event of Default by Lessee, for the reliance of Lessor or any prospective mortgagee or purchaser of all or any part of the Lessor’s interest in the Premises, within twenty (20) days after Lessor’s request, Lessee shall deliver to Lessor: (i) complete financial statements of the Lessee including a balance sheet, profit and loss statement, statement of changes in financial condition and all other related schedules for the fiscal period then ended (including interim periods following the end of the last fiscal year for which annual statements are available); (ii) income statements for the business at the Premises reflecting operations at the Premises and (iii) such other information relating to the operation of the Premises as may be reasonably requested by Lessor, including, without limitation, franchise agreements, management agreements, market reports and STAR reports. All such financial statements shall be prepared in accordance with generally accepted accounting principles in the United States of America, consistently applied (“GAAP”), and shall be certified to be accurate and complete by an officer or director of Lessee. Lessee understands that Lessor will rely upon such financial statements and Lessee represents that such reliance is reasonable. In the event that Lessee’s financial statements ordinarily are consolidated with other business for financial statements purposes, such financial statements shall be prepared on a consolidated basis. The financial statements delivered to Lessor need not be audited, but Lessee shall deliver to Lessor copies of any audited financial statements of the Lessee which may be prepared, promptly after they are available. If an audited financial statement has not been prepared, Lessee shall provide Lessor with an unaudited financial statement and/or such other information, the type and form of which are acceptable to Lessor in Lessor’s reasonable discretion, that fairly reflects the financial condition of Lessee and its operations at the Premises.

4.5 Section 9.05 of the Original Lease is amended to add the following at the end of the paragraph:

“As used herein, the term “transfer” as used above shall include any assignment, transfer, or conveyance, pledge, mortgage or grant of security interest: (a) by Lessee, whether voluntary or involuntary, whether by operation of law (for example, by merger) or otherwise, of any part or all of the Lease, or of any part or all of the leasehold estate created by the Lease, or any interest herein, or (b) of any direct or indirect ownership, control, voting, management or other beneficial interest in Lessee, whether voluntary or involuntary, whether by operation of law (for example, by merger or consolidation) or otherwise (hereinafter, a “Transfer”). Furthermore, the term “Transfer” shall also include: (aa) if Lessee is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of a majority of the partners, or a transfer of a majority of partnership interests, within a twelve (12) month period, or the dissolution of the partnership; (bb) if Lessee is a closely held corporation (i.e. whose stock is not publicly held and not traded through an exchange or over the counter) or a limited liability company, the dissolution, merger, consolidation, division, liquidation or other reorganization of Lessee, or within a twelve (12) month period (i) the sale or other transfer of more than an aggregate of 50% of the voting securities or membership interest of Lessee

(other than to immediate family members by reason of gift or death) or (ii) the sale, mortgage, hypothecation or pledge of more than an aggregate of 50% of Lessee's net assets; and (cc) any change by Lessee in the form of its legal organization under applicable Legal Requirements (such as, for example, a change from a general partnership to a limited partnership or from a corporation to a limited liability company). Subject to Section 9.06 and Article 10 below, no Transfer shall occur without the prior written consent of Lessor, which shall not be unreasonably withheld. In determining whether to grant its consent to any Transfer, Lessor may consider such matters as the experience and financial strength of any assignee, the assumption by any assignee of all of Lessee's obligations hereunder by undertakings enforceable by Lessor, and the transfer to or procurement by the proposed assignee of all necessary licenses and franchises in order to continue operating the Premises for the purposes herein provided. Lessee shall provide Lessor with at least thirty (30) days prior written notice of such proposed Transfer accompanied by information about the proposed assignee (including financial information of the proposed assignee), and provided further that at the time of such Transfer no Event of Default has occurred and be continuing. At the time of any Transfer which is approved in writing by Lessor, the assignee shall assume all of the obligations of Lessee under the Lease pursuant to a written assumption agreement in commercially reasonable form and substance. Any such Transfer shall not relieve Lessee of its obligations respecting the Lease unless otherwise expressly agreed to in writing by Lessor. Any Transfer in violation of the terms of the Lease shall be voidable at the sole option of Lessor. Any consent to any Transfer shall not be deemed to be a consent to any subsequent Transfer."

4.6 Section 10.01(a) of the Original Lease is deleted and replaced with the following:

"Lessee shall have the right, from time to time and at any time, in whole or in part, subject to the prior consent of Lessor, which consent shall not be unreasonably withheld or delayed, to hypothecate, mortgage, pledge or alienate the Leasehold Assets (a "Leasehold Mortgage"). Lessee shall provide a fifteen (15) day notice to Lessor prior to the closing of any loan or other transaction in connection with which such interest is given, identifying the name and address of the Parties obtaining an interest in Lessee's leasehold (the "Leasehold Mortgagee"). "Leasehold Assets" includes Lessee's leasehold interest in the Premises and the rights granted to Lessee under this Lease, the Improvements and any other personal property of the Leasehold Mortgagee on the Premises provided that in no event whatsoever shall Lessee have the right to encumber Lessor's fee simple interest in the Premises."

4.7 The following phrase is added at the end of Section 10.01(c) of the Original Lease: "...provided such default is not a failure to pay any Base Rent and any Additional Rents, during which time Lessor shall not terminate the Lease, provided further that such Leasehold Mortgage shall have commenced and continues to diligently prosecute such cure within said sixty (60) day period."

4.8 A new subsection 10.01(d) is added of the Original Lease as follows, the former subsection 10.01(d) of the Original Lease is renumbered as subsection 10.01(e), and the subsections that follow are appropriately renumbered:

“Leasehold Mortgagee shall have the right, subject to the provisions of this Lease (i) upon written notice to Lessor to assign its Leasehold Mortgage to another third party lender, (ii) to enforce its lien and acquire title to the leasehold estate under this Lease by any lawful means; (iii) to take possession of and operate the Premises and to perform all obligations to be performed by Lessee under this Lease, or to cause a receiver to be appointed to do so; and (iv) to acquire the Lessee’s leasehold interest by foreclosure or by an assignment in lieu of foreclosure and thereafter to assign or transfer the Leasehold Assets to a third party, provided that such third party expressly agrees in writing to assume and comply with all obligations imposed on Lessee under this Lease, and provided further that Leasehold Mortgagee shall notify Lessor of any such acquisition and/or assignment. Lessor’s consent shall not be required for any of the actions described in (i) through (iv) of this clause (d). Further, if any of the actions described in (i) through (iv) of this clause (d) causes the Lessee’s leasehold estate to be transferred, at the time of the acquisition of the Lessee’s leasehold estate by Leasehold Mortgagee or any other third party Person who acquires the interests from or on behalf of Leasehold Mortgagee, this Lease shall remain in full force and effect.”

4.9 Subsection 10.01(e)(formerly (d) and renumbered per section 4.8 above) of the Original Lease is deleted and replaced with the following:

“In case of the termination of this Lease by reason of the happening of an Event of Default or otherwise, the Lessor shall give notice thereof to any Leasehold Mortgagee who shall have notified the Lessee of its name and address pursuant to Section 11.01, which notice shall be sent by personal delivery or by registered or certified mail or overnight courier service to such Leasehold Mortgagee at the address last furnished to the Lessor pursuant to Section 11.01. If, within ninety (90) days after the mailing of such notice, such Leasehold Mortgagee shall notify the Lessor that such Leasehold Mortgagee desires to enter into a lease of the Premises with the Lessor, the Lessor shall join with the Leasehold Mortgagee, or its nominee, in executing and delivering a new lease of the Premises to such Leasehold Mortgagee, or its nominee, for the remainder of the Term, at the Annual Rent and upon the terms, covenants and conditions contained in this Lease. The rights of the Leasehold Mortgagee pursuant to this clause (e) shall survive any termination of this Lease.”

4.10 A new subsection 10.01(h) is added as follows:

“Any Leasehold Mortgage shall be subordinated to this Lease (unless Lessor, Lessee, and Lessee’s lender have expressly agreed and executed a subordination, non-disturbance and attornment agreement in form and substance acceptable to Lessor in its reasonable discretion) and shall not affect or encumber Lessor’s fee interest in the Premises or create any security interest or rights of the Leasehold

Mortgagee in Lessor's fee interest in the Premises, other than as a leasehold mortgagee of Lessee's interest in the Lease. Upon the request of Lessee, Lessor will execute and deliver to Lessee such customary instruments and/or documents which may be reasonably required to be executed by the Leasehold Mortgagee in order to facilitate the provisions of this Section 10 and to cooperate and/or participate with Lessee, to the extent reasonably required by Lessee, provided that all reasonable out-of-pocket costs incurred by Lessor in connection therewith are paid by Lessee and Lessor approves any and all documentation to be signed by Lessor (such approval not to be unreasonably withheld)."

4.11 Section 11.01 of the Original Lease shall be amended to replace the Lessee notice address with the following:

LESSEE: Steven Miller
Water Island Development Company, LLC
c/o Dudley Newman Feuerzeig, LLP
Attn: Alex M. Moskowitz, Esq.
1000 Frederiksberg Gade
St. Thomas, USVI 00802

4.12 Section 11.02 of the Original Lease shall be amended to insert one hundred eighty (180) days in place of ninety (90) days.

4.13 At Section 11.17 of the Original Lease, a new clause (e) is added immediately following clause (d) as follows:

and (e) further in the case of a request by Lessee or Leasehold Mortgagee in connection with a financing, (i) that Lessor has consented to the Leasehold Mortgage to be executed in connection with such financing, (ii) that Lessor has acknowledged receipt of the name and address of Leasehold Mortgagee, and (iii) that to Lessor's actual knowledge, Leasehold Mortgagee may have the rights and benefits of a Leasehold Mortgagee under Article 10 and this Section 11.17.

4.14 The following sentence is added immediately following the second sentence of Section 14.01 of the Original Lease:

Prior to any environmental audit, Lessor agrees to provide to Lessee all known material documents in its actual possession and control relating to the operations at the Premises and the environmental investigation, remediation and mitigation efforts undertaken to address any hazardous materials or contaminant by or under Lessor, including any written notices from any other Governmental Authority, to the extent permitted by Legal Requirements.

5. Submerged Lands.

5.1 As provided in Section 1.3 hereinabove, the Premises is intended to be used in conjunction with the submerged lands more particularly described on Exhibit A (the "Submerged Lands"), and Lessor will use reasonable good faith efforts to work with Lessee to: (a)

facilitate contact to secure a submerged land lease from DPNR; and (b) advance timely permitting efforts with the Territory's Coastal Zone Management ("CZM"), each of the foregoing for Lessee's use of the Submerged Lands in conjunction with this Lease as part of the Water Island Hotel and Marina, subject to such granting by DPNR and as required by CZM and the U.S. Army Corps of Engineers and any other applicable Legal Requirements. Development of the Submerged Lands shall remain subject to all Legal Requirements, including, without limitation, requirements to obtain Coastal Zone Management Act ("CZM Act") and U.S. Army Corps of Engineers permits. Development of the Submerged Lands for purposes consistent with the Lease and this Amendment is deemed under the Lease to be consistent with the goals and purposes of the Coastal Zone Management Act and in particular 12 V.I.C. § 903.

5.2 In support of the Water Island Hotel and Marina, the Parties agree Lessee may develop Flamingo Bay inner and outer harbor marina and Druif Bay and Flamingo Bay mooring fields, substantially in accordance with the preliminary Submerged Lands Plan attached hereto as Exhibit A, subject to DPNR approvals, grants, and in accordance with and subject to all Legal Requirements.

6. Resort Development.

6.1 Infrastructure. The Lessee will construct, own, maintain and operate (during the term of the Lease) the infrastructure required for the Water Island Hotel and Marina and the residential development on the Premises including roads, power plant (micro-grid), underground utilities, a wastewater treatment plant, reverse osmosis plant, and solid waste disposal facilities pursuant to the Plans (the "Infrastructure"). The Lessor agrees to cooperate with Lessee's efforts to obtain the issuance of permits that may be required for installation and construction of the Infrastructure. To the extent that it may be necessary to construct portions of the Infrastructure on portions of the GVI Tract not covered by the Lease, consistent with Section 7.02 of the Lease, the Lessor agrees to provide non-exclusive easements to the extent necessary for such Infrastructure to occupy said areas by the Lessee on the Remaining Property (as defined in Section 7.02 of the Original Lease), at no additional fee and at no cost to Lessee and Lessor, for the construction of such Infrastructure, consistent with the terms of the Lease, however, that such easements shall be located in a manner so as to cause the least possible adverse impact on the Remaining Property. For the purposes of the Lease, the Lessee shall not be considered a "public utility" (as that term is defined in 30 VIC§1) by reason of its ownership of the Infrastructure or its sale of water, electricity and other utilities produced thereby, provided said utilities are not offered to sale for the general public, but only to the occupants, owners, tenants, sublessees and guests on any of the Premises. Lessee shall contract, in its own name, for and pay when due all charges for the connection and use of water, power, gas, electricity, telephone, garbage collection, data, cable, internet, sewer use, and other utility services supplied to the Premises during the Term. Lessor shall be responsible for maintenance, repair, replacement, and installation of all on Premises utilities and lines serving the Premises to maintain the same in compliance with all Legal Requirements. Lessee shall not be responsible for maintenance, repair, replacement, and installation of any utility lines that are not serving the Premises. Under no circumstances shall Lessor be responsible for any interruption, cessation, or termination of any utility service (whether permanent or temporary), nor shall Base Rent or any Additional Rent be abated or reduced in any manner whatsoever, even if any such utility services become unavailable to the Premises.

6.2 Emergency Services. To supplement public emergency services, Lessee will provide private security, fire emergency response facilities and staffing, and emergency medical transportation services for the Water Island Hotel and Marina. Lessee and the Persons it designates to provide such services, in compliance with all Legal Requirements and best industry practices, may qualify to have all of the protections of 27 V.I.C. 55, providing limited immunity to suit in cases of voluntarily rendered emergency assistance. Notwithstanding the foregoing, for the avoidance of doubt, Lessor hereby reserves, and Lessee acknowledges and agrees, that GVI Water Island Administrator, Virgin Islands Police Department, and Virgin Islands Fire and Emergency Medical Services shall have designated space and improvements to service residents on the GVI Tract, which space will be contemplated in the Plan and developed and constructed at Lessee's cost.

6.3 As provided in Section 1.4 hereinabove, at one or more sites to be determined by Lessee, Lessee may seek to obtain authorization and all necessary permits or approvals to construct and maintain a heliport in St. Thomas in order to facilitate convenient travel between the Premises, St. Thomas, St. John, and St. Croix for resort guests and residents, as well as to provide for fast evacuation of medical emergency patients. Lessor will use reasonable efforts to cooperate with and assist Lessee in Lessee's efforts to locate and pursuing authorization of use of any such site, at no cost to Lessor. Notwithstanding the foregoing, for the avoidance of doubt, Lessor hereby reserves, and Lessee acknowledges and agrees, that GVI Water Island Administrator, Virgin Islands Police Department, Virgin Islands Fire and Emergency Medical Services, and Virgin Islands National Guard shall have access to such heliport to service residents on the GVI Tract for emergency services and disaster relief efforts.

6.4 Development Guidelines. The Parties agree to jointly compose, approve, and promulgate specific development guidelines for Water Island Hotel and Marina in compliance with all Legal Requirements (the "Development Guidelines") consistent with the Comprehensive Plan, providing rules and regulations that account for Water Island Hotel and Marina's small size, limited commercial facilities, rugged terrain and environmental sensitivity. This may include limited road development on or to access the Premises, with provisions for golf cart type vehicle use in lieu of standard vehicles where practical, with the corresponding reduction in width of road and therefore a reduced need for cuts and fills and an enhanced environmental profile (but, for the avoidance of doubt, except as may be necessary for emergency vehicles and other like access). Upon completion of the Development Guidelines and approval of the Parties, the Development Guidelines shall be attached to and become a part of the Lease. Oversight and enforcement of the Development Guidelines will be as provided in the Development Guidelines. For the avoidance of doubt, the Development Guidelines shall be subject to all Legal Requirements and any Governmental Authority having jurisdiction over the Premises and Remaining Property.

6.5 Economic Development Incentives and Obligations

6.5.1 Economic Development Benefits. Lessor will use reasonable good faith efforts to assist Lessee in its efforts to identify and secure the tax exemptions, benefits, guarantees and financing assistance specified under the Virgin Islands Industrial Development Program, Title 29 Virgin Islands Code §§ 701-746 (the "EDC Program"), the Virgin Islands Tax Increment Financing Act, Title 29 Virgin Islands Code, Chapter 22 (the "VI TIF Act") and the Virgin Islands Hotel Development Program, Title 29 Virgin Islands Code, Chapter 23 (the "VI

HD Program” and, together with the EDC Program and the VI TIF Act, collectively, the “VI Development Programs”), for the construction and operation of the Water Island Hotel and Marina. Lessor acknowledges that Lessee has represented that Lessee’s ability to develop and construct the Water Island Hotel and Marina is contingent upon Lessee obtaining the benefit of the VI Development Programs. Notwithstanding Lessee’s prior election to waive the contingency set forth in Section 2.01(b) of the Lease for the approval by the Department of the Interior of the purchase of the Additional Resort Land, such contingency is hereby reinstated and shall be applicable to the entire Premises, and, as of the date hereof, such contingency shall also include Lessee obtaining the benefit of, and receiving certification for, the VI Development Programs from the appropriate authorities for use by the Lessee in conjunction with the Premises, in form and substance to Lessee’s reasonable satisfaction.

6.5.2 Period of Benefits. Lessee intends to seek to enjoy the tax exemptions and benefits under the EDC Program for a period of twenty (20) years.

6.5.3 Extension of Benefits. Lessee intends to apply to the EDC for an extension of benefits in accordance with applicable provisions of the EDC Program.

6.5.4 Conditions for the Receipt of Benefits. Lessee shall comply in a reasonable and substantive manner with: (i) all applicable provisions of the VI Development Programs, including the rules and regulations promulgated thereunder, relating to the employment and training of residents, non-discrimination, and the local procurement of goods and services; and (ii) all Legal Requirements.

6.5.5 Notwithstanding Lessee’s receipt of certain benefits under the VI Development Program, Lessee may elect to forego certain benefits in order to support tax increment financing or related financing for portions of the construction and operation of the Water Island Hotel and Marina.

6.6 Improvement Approval & Development. As a part of the consideration for the Lease, contingent upon Lessee’s receipt of the Resort Approvals (as defined below), Lessee shall achieve Substantial Completion of the Improvements. Pursuant to the Comprehensive Plan, and as an affirmative covenant of the Lease, subject to obtaining the Plans (as defined below) and Resort Approvals described herein for the Improvements, Lessee shall invest at least \$300,000,000.00 in developing and constructing the Improvements.

6.7 Lessor Consent: All Improvements: (i) are subject to the prior written consent obtained in each and every case from the Commissioner, which consent shall not be unreasonably withheld or delayed (and, although a condition precedent to Lessee’s right to commence the Improvements, is separate and distinct from any other Governmental Authority with jurisdiction over any of the applicable Resort Approvals, and is in addition to whatever other licenses or permits are deemed necessary by the applicable Governmental Authority with jurisdictional purview over the Premises and/or the Improvements); and (ii) shall be undertaken and completed pursuant to the terms and conditions of this Lease. The consent of the Commissioner (although a condition precedent to Lessee’s right to commence the Improvements) shall not be deemed to affect any applicable Governmental Authority’s review, processing or response to any application or submission by Lessee. Promptly after the Effective Date, Lessee, at

its sole cost and expense and in accordance with this Section 6 and Article 4 of the Lease, shall use all commercially reasonable efforts to diligently and continuously prosecute all Resort Approvals in good faith until obtained, as soon as possible within the applicable 24-month period after the Effective Date as referenced in Section 4.03 of the Lease (the "Permitting Period"). Notwithstanding the foregoing and Section 4.03 of the Original Lease, to the extent the Resort Approvals are not timely obtained within the Permitting Period to the extent directly caused by any Governmental Authority's failure to timely approve, deny, or otherwise respond to a Lessee submittal, application, or submission in connection with the Resort Approvals within the applicable period proscribed under any applicable Legal Requirements, then such delay shall be treated as an Unavoidable Delay under Section 11.02 of the Original Lease and any such Unavoidable Delay will not be subject to the ninety (90) days maximum limit provided therein.

6.7.1 Lessor Review.

(a) Plans Review.

(i) Plans. Within ninety (90) days after the Effective Date ("Plans Delivery Date"), Lessee shall deliver to Lessor: (a) a comprehensive development plan, prepared by Lessee's planner, architect, and/or engineer, containing detailed master planning, and related specifications, elevations, building renderings, and site layouts, accurately reflecting the Improvements boundaries and improvements that Lessee intends to make to or upon the Premises substantially consistent with the Comprehensive Plan to facilitate development and completion of the Improvements (subject to modifications and extensions for re-design resulting from Governmental Authority agency review and applicable Legal Requirements); and (b) a final development schedule detailing Lessee's anticipated development and construction timeline from the expiration of the Final Plans Delivery Date through the expiration of the Construction Period identifying interim milestones/benchmarks at least every ninety (90) days during the Construction Period and including each of the milestones set forth below in Section 7(b) herein (the "Plans").

(i) Lessor Plan Approval. Lessor shall have thirty (30) days from receipt of each of Lessee's proposed Preliminary Plans and Plans, respectively, to approve or disapprove the same to confirm such are substantially consistent with the Comprehensive Plan (with any disapproval containing a reasonably detailed explanation therefor). Upon any disapproval by Lessor, Lessor and Lessee shall meet as soon as possible to attempt in good faith to reach agreement on such Preliminary Plans or Plans, as applicable.

(b) Application Review. Within the earlier of: (i) one hundred eighty (180) days after the Effective Date ("Application Delivery Date"); or (ii) at least twenty (20) days prior to any submission to the applicable Governmental Authority, Lessee shall deliver to Lessor complete copies of all applications and/or submissions that Lessee intends to submit during the applicable Permitting Period for any and all Resort Approvals. Lessor shall have twenty (20) days from receipt thereof to provide to Lessee comments on the applicable application or submission. Lessor's comments or lack of comments shall not be deemed to affect any applicable Governmental Authority's review, processing or response to any application or submission by Lessee. The development schedule included within the Plans shall identify the interim milestones/benchmarks referenced in Section 7(b) below.

6.8 Permitting Submittal Period: As promptly as possible, but in no event later than sixty (60) days following the Application Delivery Date (each a "Permitting Submittal Period"), Lessee shall submit to any Governmental Authority having jurisdiction to issue permits required for the applicable Improvements all completed applications, submissions, plans, drawings, specifications, and other documents or information required to obtain all of the Resort Approvals from any such Governmental Authority within the applicable Permitting Period. "Resort Approvals" shall mean and refer to any and all final non-appealable approvals, consents, licenses, certifications, permits, any and all land use entitlements (including, without limitation, those required from any Governmental Authority with jurisdictional purview over the Premises and/or the Improvements, the DPNR, including CZM permitting, the U.S. Army Corp of Engineers, and/or the U.S. Department of Fish and Wildlife, as applicable), all building permits and licenses, the payment of all required utility and development fees, any permanent permits for, without limitation, excavation, grading, erosion and sediment control, other site work for the Premises, the transportation of equipment and materials to and from the Premises, and storage of the same upon the Premises, in connection with either the development and construction of the Improvements or the operation of the Improvements, and other licenses and permits which may be required for the commencement of construction of the Improvements as provided under Section 4.03 of the Original Lease for the Improvements. Thereafter, Lessee shall promptly provide to Lessor copies of all applications and/or submissions submitted to each applicable Governmental Authority and copies of all responses Lessee receives from such other Governmental Authority. Lessee shall obtain the Resort Approvals at its sole cost and expense, submit completed applications for any Resort Approvals to the applicable Governmental Authority promptly as provided above and thereafter shall use all commercially reasonable efforts to process the applications and diligently and continuously prosecute all Resort Approvals in good faith until obtained, as soon as possible within the Permitting Period for the Improvements. Lessee shall keep Lessor reasonably apprised on a regular basis of the status of the processing of all such applications and Lessee's efforts to satisfy the Resort Approvals.

6.9 For the avoidance of doubt, to the extent the Resort Approvals are not timely obtained within the Permitting Period to the extent directly caused by any Governmental Authority's failure to timely approve, deny, or otherwise respond to a Lessee submittal, application, or submission in connection with the Resort Approvals within the applicable period proscribed under any applicable Legal Requirements, then such delay shall be treated as an Unavoidable Delay under Section 11.02 of the Original Lease and any such Unavoidable Delay will not be subject to the ninety (90) days maximum limit provided therein.

6.10 Construction: Substantial Completion. Pursuant to Section 4.04 of the Original Lease, Lessee shall cause construction of the Improvements to be completed within sixty (60) months of obtaining the Resort Approvals, subject to Unavoidable Delay (as provided in Section 11.02) (the "Construction Period"). Lessee shall commence construction of the Improvements promptly but not later than sixty (60) days following the later of: (i) Lessee obtaining the Resort Approvals; and (ii) Lessor's written consent obtained from the Commissioner as provided for in Section 6.7 herein. Lessee shall then cause construction of the Improvements to be diligently pursued without unnecessary interruption or delay (except for force majeure exceptions specified herein at Section 11.02 of the Original Lease), and shall cause the Improvements to achieve Substantial Completion (as defined below) and be ready for occupancy not later than the expiration of the applicable Construction Period. Any material deviation from

the Plans or the Improvements, including, without limitation, changes to the size, height, location or configuration of any Improvements, shall require Lessor's prior written approval (not to be unreasonably withheld, conditioned, or delayed), and, further, expressly excepting from such Lessor approval non-material modifications for re-design resulting from Governmental Authority agency review and applicable Legal Requirements.

7. Performance Bond.

Within sixty (60) days of the date the Legislature approves this Amendment, Lessee shall obtain and deliver to Lessor a performance bond in the amount of Three Million Dollars (\$3,000,000.00) issued by a financial institution approved by Lessor, such performance bond to be in form and substance to Lessor's satisfaction (the "Performance Bond").

- (a) The Performance Bond shall secure Lessee's performance under the of pre-development and early-stage development obligations, such as obtaining the Resort Approvals, in accordance with the terms and conditions of the Lease.
- (b) The Performance Bond may be reduced in phases upon achievement of the following milestones, as determined by Lessor, pursuant to the Plans (and the development schedule therein):
 - Milestone 1 – Obtain Resort Approvals.
 - Milestone 2 – Construction Commencement (Mobilization and Start of Construction (including infrastructure and improvements) of Improvements: Performance Bond may be reduced to \$2,000,000.00, as determined by Lessor.
 - Milestone 3 – Substantial Completion of the Improvements: Performance Bond may be reduced to \$1,000,000.00, as determined by Lessor.
- (c) The Performance Bond shall remain in effect and may not be reduced below \$1,000,000.00 until approval of the Plans in accordance with the terms and conditions of the Lease.

8. Representations and Warranties: The representations and warranties of Lessee contained in this Section 8 are being made to induce Lessor to enter into the Amendment, and Lessor has relied, and will continue to rely, upon such representations and warranties during the Term. A breach of the following representations and warranties shall constitute an Event of Default. Lessee represents and warrants to Lessor, as follows:

8.1 Lessee has been duly organized or formed, is validly existing and in good standing under the laws of the Territory and is qualified to do business in the Territory. All necessary action has been taken to authorize the execution, delivery and performance by Lessee

of the Lease and of the other documents, instruments and agreements provided for herein. Lessee is not, and if Lessee is a "disregarded entity," the owner of such disregarded entity is not, a "nonresident alien," "foreign corporation," "foreign partnership," "foreign trust," "foreign estate," or any other "person" that is not a "United States Person" as those terms are defined in the Code and the regulations promulgated thereunder. The person who has executed this Amendment on behalf of Lessee is duly authorized to do so.

8.2 The Lease constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms.

8.3 There are no suits, actions, proceedings or investigations pending, or to Lessee's actual knowledge, threatened against or involving Lessee or the Premises before any arbitrator or Governmental Authority, the resolution of which could have a material adverse effect on Lessee or Lessee's business.

8.4 To Lessee's actual knowledge, Lessee is not in default under any document, instrument or agreement to which Lessee is a party that affects the Premises. The authorization, execution, delivery and performance of this Amendment and the documents, instruments and agreements provided for herein will not result in any breach of or default under any document, instrument or agreement to which Lessee is a party that affects the Premises.

8.5 Neither Lessee, nor any individual or entity owning directly or indirectly any interest in Lessee, is an individual or entity whose property or interests are subject to being blocked under any of the OFAC Laws or is otherwise in violation of any of the OFAC Laws; provided, however, that the representation contained in this sentence shall not apply to any person to the extent such person's interest is in or through a U.S. Publicly Traded Entity.

8.6 There is no contemplated, pending or threatened Insolvency Event or similar proceedings, whether voluntary or involuntary, affecting Lessee.

9. Miscellaneous

9.1 Non-Liability. Section 6.04 of the Original Lease is hereby deleted and replaced to read as follows:

"Section 6.04 Lessor shall not be responsible or liable to Lessee for any Losses that may be occasioned by the acts or omissions of persons occupying or using any property or area (including, without limitation, bodies of water) adjacent to, adjoining or nearby the Premises (including, without limitation, all utility pipes, lines or conduits serving the Premises including those which run underwater, if any), or any part thereof, or for any loss or damage resulting to Lessee or its Premises from water, gas, steam, fire or the bursting, stoppage, or leaking of pipes, provided such loss or damage is not directly and proximately caused by the negligence of Lessor or its agents, contractors, or employees, and to the extent permitted by law.

It is the express intention of the Parties to the Lease that neither Lessor, nor any of Lessor Indemnified Parties shall have any personal liability for any obligation, debt,

liability, cost or expense arising from or incurred in connection with the Premises or the Lease, the liability of Lessor and the Lessor Indemnified Parties under and with respect to the Lease shall be limited to the interest of Lessor in the Premises. In no event shall Lessee or anyone claiming by, through or under Lessee, seek to recover against Lessor or any Lessor Indemnified Parties personally, and no assets of Lessor or any Lessor Indemnified Party, except Lessor's interest in the Premises, shall be subject to attachment or execution of judgments. Under no circumstances may Lessee seek or be entitled to recover any special, consequential, punitive, speculative or indirect damages, all of which Lessee expressly and specifically waives, from Lessor for any breach by Lessor of the covenants and/or obligations of Lessor under the Lease. Notwithstanding any other provision of the Lease to the contrary, nothing in the Lease nor any action taken by Lessor or any of the Lessor Indemnified Parties pursuant to this Lease, nor any document which arises out of this Lease, shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of Lessor, or of its elected and appointed officials, officers and employees in its capacity as a Governmental Authority."

9.2 Authorization. The Lease and Lessor's obligations hereunder are expressly subject to Title 31, Section 205 of the Virgin Islands Code, which provides, inter alia, that (a) the Governor of the Virgin Islands shall approve all conveyances, leases or other instruments relating to the disposition of government real estate, and (b) leases or subleases for a term exceeding one (1) year and other dispositions specified in Section 205(c) must be approved by Act of the Legislature. The Parties acknowledge that an Act of the Legislature will approve this Amendment and will delegate to the Commissioner authority to execute and deliver deeds and ancillary site leases in the circumstances and upon the conditions set forth therein and in this Lease, without any further act of the Legislature.

9.3 Officials Not to Benefit: Section 11.04 of the Original Lease is included herein by this reference.

9.4 Agreement made in the Virgin Islands: The laws of the Territory shall govern the validity, performance, and enforcement of the Lease. Any dispute between the Parties arising out of or relating to the Lease or a breach hereof must be resolved by either the Superior Court of the Virgin Islands or any other applicable courts of competent jurisdiction, and each of the Parties consent to the exclusive jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdictional or venue defenses otherwise available to it.

9.5 Demise of Premises "AS-IS". For the avoidance of doubt, Lessee is acquiring its leasehold interest in the Premises and shall accept possession of the Premises in its "AS IS", "WHERE IS", physical condition and "WITH ALL FAULTS AND DEFECTS". To the fullest extent permitted by law and with the sole exception of any express representation or warranty provided for by Lessor herein, Lessor hereby specifically disclaims any representation or warranty, whether express, implied or statutory, whether oral or written, with respect to the Premises, including, but not limited to those concerning: (i) the value, physical condition, condition of title, suitability, merchantability, development potential, or fitness for a particular use or purpose of the Premises or the Improvements; (ii) the area, shape, size, configuration, location, capacity, square footage, acreage, dimensions or zoning of the Premises; (iii) the soil condition,

topography, geology or drainage of the Premises; (iv) the existence of any flood plain, floodway or flood hazard area affecting the Premises; (v) any easement, right of way, reservation, condition, covenant, or restriction benefiting, burdening or otherwise affecting the Premises; (vi) the availability, quantity and quality of electrical power, water, natural gas, sewer and other utilities to the Premises or the Resort or the access to the Premises by public road or otherwise; (vii) the nature or quality of any materials, labor, workmanship, construction, design, engineering, or composition of any improvements to the Premises, including the Improvements; (viii) the environmental condition of the Premises; (ix) compliance by the Premises with applicable Legal Requirements (including without limitation, compliance with all Environmental Laws, Accessibility Laws, and any zoning law or ordinance) affecting the Premises or the Improvements; (x) the suitability of the Premises for any and all purposes, activities and uses that Lessee may elect (subject to the provisions of the Lease) to conduct on the Premises; or (xi) the value of the Premises or the price at which Lessee (subject to the provisions of the Lease) might resell its leasehold estate in the Premises. Furthermore, by executing the Lease, Lessee acknowledges the following: (a) except for express representations and warranties of Lessor set forth in the Lease, Lessee is not relying upon any representation and warranty of Lessor or any manager, government official, officer, employee, representative or agent of Lessor or any other party related to or affiliated with Lessor; (b) the Premises may contain defects unknown to Lessee and Lessor; (c) immediately prior to the Effective Date, Lessee inspected the Premises and is familiar therewith; (d) Lessee bears the sole responsibility to inspect the Premises and review all information pertaining to the Premises; and (e) Lessee is assuming all risks of defects and violations whether patent, latent or otherwise concealed in the Premises. Notwithstanding the foregoing "AS IS" clauses, Lessor agrees to cooperate with the Lessee if the Parties determine that there are certain title defects in contravention of the foregoing, or otherwise pertaining to the removal of inapplicable tax liens against the Premises or voided or expired third party possessory interests that are of record and set forth in Lessee's title commitment and/or an ALTA/NSPS survey (provided the same are not caused or permitted by Lessee), and Lessor shall use commercially reasonable efforts to cooperate with Lessee in the removal of the same via affirmative insurance against the disapproved item, or causing the disapproved item to be removed or released of record, or by other means acceptable to the Parties.

9.6 Entire Agreement. This Amendment and the Lease constitutes the entire agreement and understanding between the Parties with respect to the subject of this Amendment and shall supersede all prior written and oral agreements concerning this subject matter. The Lease may not be amended, modified or otherwise changed in any respect whatsoever except by a writing duly executed by authorized representatives of the Parties. Each Party acknowledges that it has read this Amendment, fully understands all of this Amendment's terms and conditions, and executes this Amendment freely, voluntarily and with full knowledge of its significance. Each Party to this Amendment has had the opportunity to receive the advice of counsel prior to the execution hereof.

9.7 Counterparts. This Amendment may be executed in counterparts and by PDF, and such counterparts together shall constitute but one original of the Amendment. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each Party who has executed it.

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9.8 Effect of Amendment. Except as modified herein, the Lease is hereby reinstated as of the date hereof and remains unchanged and in full force and effect. In the event of any inconsistency between a provision of the Original Lease and a provision of this Amendment, the provision of this Amendment shall govern and control.

9.9 Definitions. Schedule 1 attached hereto is incorporated herein by this reference.

9.10 Lessor Consent. If Lessee shall request Lessor's consent or approval and Lessor shall fail or refuse to give such consent or approval, Lessee shall in no event be entitled to and shall not make any claim, and Lessee hereby waives any claim, for damages (nor shall Lessee claim any damages by way of set off, counterclaim or defense against any of Lessee's obligations under this Lease) based upon any assertion that Lessor has unreasonably withheld, or unreasonably conditioned or unreasonably delayed any consent or approval requested by Lessee, it being intended that Lessee's sole remedy shall be an action for specific performance or injunction pursuant to Section 9.11 below.

9.11 Dispute Resolution. The following shall apply to any Dispute (as defined below) arising under this Lease and/or this Amendment.

9.11.1 Mutual Discussions. If a dispute or difference of any kind whatsoever shall arise among the Parties in connection with, relating to or arising out of this Lease or this Amendment (each, a "Dispute"), then one of such Parties shall notify in writing the other Party of such Dispute and describe the Dispute in sufficient detail to identify the same. The Parties will attempt to settle such Dispute in the first instance by discussions between their respective designated representatives and the joint decision memorialized in a mutually executed writing by the Parties shall be binding upon the Parties. If a settlement of any such Dispute or difference is not reached pursuant to this Section 9.11.1 within 60 days after such written notice of Dispute is delivered, then the provisions of Section 9.11.2 hereof shall apply to such Dispute.

9.11.2 Mediation. If a settlement of any such Dispute or difference is not reached pursuant to Section 9.11.1, then the Parties agree to submit such Dispute to mediation in St. Thomas U.S. Virgin Islands with the American Mediation Institute or any other accredited mediation organization or mediator. The process for mediation shall be governed by the procedures set forth in Rule 90 of the V.I. Rules of Civil Procedure. The fees and expenses of mediation and the mediator shall be borne equally by the Parties.

9.11.3 Binding Dispute Resolution. If the mediation as required in Section 9.11.2 above does not result in a settlement of the Dispute, the Parties authorized representatives may opt to reengage in good faith discussions and evaluations regarding all potential options for binding dispute resolution options (including, but not limited to, litigation, arbitration in accordance with the Commercial Rules of Arbitration of the American Arbitration Association ("AAA") governed by the Federal Arbitration Act (the Parties conclusively agree that the Lease and this Amendment affect and have a nexus with interstate commerce), and any other alternatives). The Parties shall endeavor to select the most appropriate form of binding dispute resolution based on an evaluation of the nature of the claims, the amount in controversy, the time and cost associated with each form of binding dispute resolution, and the Parties' respective

interests. The Commissioner shall confer and obtain the approval of the Attorney General of the Territory regarding the most appropriate form of binding dispute resolution. The discussions shall take place within fifteen (15) days of the completion of mediation referenced in Section 9.11.2. In the event the Parties are unable to mutually agree on the form of binding dispute resolution, either Party may commence litigation in the U.S. Virgin Islands as the default form of binding dispute resolution.

9.11.4 Continued Performance. The Parties shall continue to perform their respective obligations under this Agreement during the existence of any Dispute under this Section 9.11 or the pendency of any mediation or arbitration.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties herein have hereunto set their hands and seals on the day and year first above written.

WITNESSES:

WATER ISLAND DEVELOPMENT COMPANY, LLC

Tonia Sepelvede

(Print)

[Signature]

(Sign)

Oscar Lopez

(Print)

[Signature]

(Sign)

By: Steven Miller

Name: Steven Miller

Title: Authorized Agent

ACKNOWLEDGEMENT

~~TERRITORY OF THE VIRGIN ISLANDS~~

) Florida

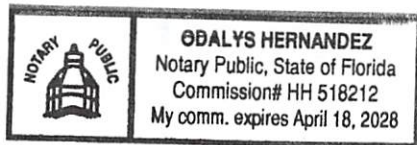
) ss:

~~District of ST. THOMAS-ST. JOHN~~

) MIAMI-DADE

Before me personally appeared STEVEN MILLER, Authorized Agent of WATER ISLAND DEVELOPMENT COMPANY, LLC, to me well known, or proved to me through satisfactory evidence to be the individual(s) described in and who executed the foregoing instrument for the purposes therein contained.

WITNESS my hand on this 21 day of April A.D. 2026



[Signature]
Notary Public

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

WITNESSES:

GOVERNMENT OF THE U.S. VIRGIN ISLANDS

CAROLE L. ORIOL
(Print)

Carole L. Oriol
(Sign)

MAGDALENE A. MORANUE
(Print)

Magdalene A. Moranue
(Sign)

By: *[Signature]*

Name: Lisa M. Alejandro
Title: Commissioner, Department of Property and Procurement

Date: *5/15/2026*

APPROVED AS TO LEGAL SUFFICIENCY

Gordon C. Rhea, Esq., Attorney General

Date: *5/19/26*

By: *[Signature]*
Assistant Attorney General

APPROVED

Date: *5/28/26*

By: *[Signature]*
Honorable Albert Bryan Jr.
Governor of the U.S. Virgin Islands

APPROVED

Date: _____

By: _____
Milton E. Potter
President
36th Legislature of the U.S. Virgin Islands

DEFINITIONS

SCHEDULE 1
Definitions

As used in this Amendment and the Lease, the following terms shall have the following meanings:

"Accessibility Laws" means any applicable provisions of the Architectural Barriers Act of 1968, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, 42 U.S.C. Section 12101 et seq., as amended, the accessibility code(s), if any, of the U.S. Virgin Islands and all regulations and guidelines promulgated thereunder.

"Acquisition Option" has the meaning set forth in Section 2.2 of this Amendment.

"Acquisition Sub-Option" has the meaning set forth in Section 2.2.1 of this Amendment.

"Additional Rent" means all amounts payable to Lessor under the Lease (other than Base Rent), which shall be immediately due and payable except as otherwise expressly provided in the Lease.

"Approving Act" has the meaning set forth in the Recitals of this Amendment.

"Commissioner" has the meaning set forth in the Recitals of this Amendment.

"Governor" means the then Governor of the Territory.

"Environmental Laws" means any law, statute, code, regulation, rule, ordinance, order, policy directive, judgment or decree of the Territory, and any federal and/or local authority (or judicial or administrative body) having authority over the Premises or any portion thereof or its use (including requirements under permits, licenses, consents and/or approvals), relating or pertaining to pollution or protection of human health or the environment (including those that relate to emissions, discharges, releases or threatened releases, or the generation, manufacturing, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials), including, without limitation: (a) the Federal Water Pollution Control Act (33 U.S.C. §1317 et seq.) as amended; (b) the Federal Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.) as amended; (c) the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.) as amended; (d) the Toxic Substance Control Act (15 U.S.C. §2601 et seq.), as amended; (e) the Clean Air Act (42 U.S. §7401 et seq.), as amended, (f) the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., as amended; (g) the statutes in Title 12 of the Virgin Islands Code; and (h) regulations adopted and publications promulgated pursuant to the aforesaid laws.

"Governmental Authority" means any governmental authority, agency, department, commission, bureau, board, instrumentality, court or quasi-governmental authority of the United States, the Territory, or any political subdivision thereof with authority to adopt, modify, amend, interpret, give effect to, or enforce any federal, Territory and local laws, statutes, ordinances, rules or regulations, including common law, or to issue court orders.

“Hazardous Materials” means (a) oil, petroleum products (including any and all constituents and additives), flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials, contaminants or pollutants, in the case of any of the foregoing, which are defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “toxic substances”, “contaminants”, “pollutants”, “regulated substances” or words of similar import under any applicable Environmental Laws; (b) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Environmental Law; and (c) any other substances that pose an environmental hazard.

“Insolvency Event” means (a) a Person’s (i) failure to generally pay its debts as such debts become due; (ii) admitting in writing its inability to pay its debts generally as they become due; or (iii) making a general assignment for the benefit of creditors; or (b) any proceeding being instituted by or against any Person (i) seeking to adjudicate it bankrupt or insolvent; (ii) seeking liquidation, dissolution, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Law relating to bankruptcy, insolvency, or reorganization or relief of debtors; or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, and in the case of any such proceeding instituted against any Person described in the foregoing clauses (i) through (iii) in subsection (b), either such proceeding shall remain undismissed for a period of one hundred twenty (120) days.

“Lessor Indemnified Parties” means each of Lessor, together with Lessor’s affiliates, parent and subsidiary entities, successors, assigns, government officials, managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, officials and agents.

“Loss” means any and all loss, Claim(s) (as defined in Section 6.03 of the Original Lease), judgment, liability, damage, and all costs and expenses (including without limitation attorneys’ fees and expenses and cost of litigation) loss, damage, claim, judgment, cost, expense or liability, including reasonable attorneys’ fees, incurred or sustained.

“Legal Requirements” means requirements under any federal, Territory and local laws, statute, ordinances, rules or regulations, including common law, or to issue court orders; and includes, without limitation, all applicable Environmental Laws, Accessibility Laws, the Resort Approvals, and the Restrictive Covenant.

“OFAC Laws” means Executive Order 13224 issued by the President of the United States of America, and all regulations promulgated thereunder, including, without limitation, the Terrorism Sanctions Regulations (31 CFR Part 595), the Terrorism List Governments Sanctions Regulations (31 CFR Part 596), the Foreign Terrorist Organizations Sanctions Regulations (31 CFR Part 597), and the Cuban Assets Control Regulations (31 CFR Part 515), and all other present and future federal, Territory and local laws, ordinances, regulations, policies, lists (including, without limitation, the Specially Designated Nationals and Blocked Persons List) and any other requirements of any Governmental Authority (including without limitation, the U.S. Department of the Treasury Office of Foreign Assets Control) addressing, relating to, or attempting to eliminate, terrorist acts and acts of war, each as supplemented, amended or modified from time to time after the Effective Date, and the present and future rules, regulations and guidance documents

promulgated under any of the foregoing, or under similar laws, ordinances, regulations, policies or requirements of other states or localities.

“*Option Notice*” has the meaning set forth in Section 2.2.1 of this Amendment.

“*Residential Units*” has the meaning set forth in Section 2.1 of this Amendment.

“*Residential Purchaser*” has the meaning set forth in Section 2.2.1 of this Amendment.

“*Residential Sales*” has the meaning set forth in Section 2.1 of this Amendment.

“*St. Thomas Parcel*” has the meaning set forth in Section 1.4.1 of this Amendment, and “*St. Thomas Parcels*” shall be construed accordingly.

“*Permitted Encumbrances*” has the meaning set forth in the Original Lease.

“*Person*” means any individual, partnership, corporation, limited liability company, trust, unincorporated organization, Governmental Authority or any other form of entity.

“*Substantial Completion*” means: (a) the Improvements being substantially complete in accordance with the laws of the Territory, and in conformity with the terms and conditions of the Lease; and (b) Lessee furnishing to Lessor a copy of the Certificate of Use and Occupancy pursuant to Title 29, Section 294, of the Virgin Islands Code, or its equivalent, as issued by DPNR and/or any other Governmental Authority with jurisdiction over the same.

“*Territory*” means the Virgin Islands of the United States, an unincorporated and organized territory of the United States of America.

“*Unavoidable Delay*” has the meaning set forth in Section 11.02 of the Original Lease, and, for purposes of the time period for Lessee to obtain the Resort Approvals includes any delay to the extent directly caused by any Governmental Authority’s failure to timely approve, deny, or otherwise respond to a Lessee submittal, application, or submission in connection with the Resort Approvals within the applicable period prescribed under any applicable Legal Requirements; but provided, that any such Unavoidable Delay will not be subject to the ninety (90) day maximum limit provided therein.

PROOF OF OWNERSHIP

Deed

Map (if referenced in deed)

Title and Encumbrance Certificate

QUITCLAIM DEED

THIS INDENTURE, made this 29 day of March, 2005, between **THE UNITED STATES OF AMERICA**, by and through its **DEPARTMENT OF THE INTERIOR, OFFICE OF INSULAR AFFAIRS**, herein called the "Grantor," and **THE GOVERNMENT OF THE U.S. VIRGIN ISLANDS**, through the Governor, herein called the "Grantee."

WITNESSETH: That for and in consideration of the sum of **TEN DOLLARS (\$10.00)** and other good and valuable consideration, receipt of which is hereby acknowledged, the Grantor hereby grants, sells, releases, and quitclaims to the Grantee, the successors and assigns of the Grantee, all of the right, title, and interest of the Grantor in the real property including the improvements thereon described as follows:

Property located on Water Island near St. Thomas, U.S. Virgin Islands, designated as Area I, Area J, Area K, Area L, Area M, Area M1, Area N, Area O, Area P, Area Q, Area R, Area S, Area T, Area U, Area V, Area W, Area X, Area Y, Plot D, Plot E, Tract A, Tract D, Tract F, Lot 7 (including all structures and improvements), Lot 25, Lot 24, Lot 87 (including all structures and improvements), Flamingo Bay Villas (Lot 8, Lot 9, Lot 10, Lot 14, Lot 16, Lot 18, Lot 19, Lot 22, Lot 25, Lot 26, and Lot 27), and Lot 279 (Sprat Point)

as marked and shown on a copy of the 1979 map of the Department of the Interior, Bureau of Land Management, (revised July 1996) attached hereto as Exhibit 1, and by reference made a part hereof.

TOGETHER WITH the rights, privileges, and appurtenances, including the use of the roads, ways, and public areas presently existing and designated for such purpose on said map, for use in common with other owners, for ingress and egress to said property.

TO HAVE AND TO HOLD the premises conveyed hereby in fee simple forever.

SUBJECT, HOWEVER, to Virgin Islands zoning regulations, now or hereafter in force, laws, rules, and regulations of the United States Virgin Islands, and to covenants, restrictions, and easements of record, all of which shall run with the land and be binding upon the owners of all lots on Water Island, and inure to the benefit of all of such lots and to the Grantor herein. Additionally, the following nine items are also included as covenants and easements of record:

1. The property is sold in as is condition with no express implied warranties other than those expressly stated herein and subject to Article 6 below, and Grantor's covenants in Exhibit 4 "Water Island Environmental Restrictive Covenants".

2. The Grantee agrees to comply with use restrictions on the property set forth in the list of Restrictive Covenants attached hereto as Exhibit 2, and by this reference made a part hereof which shall run with the land and be binding upon the owners from time-to-time of all lots on Water Island. Said list complies with the United States Fish and Wildlife Service Biological Opinion (no jeopardy) to protect endangered species and the National Historic Preservation Act to protect cultural and archaeological resources. Specific restrictions are addressed by tract and location.
3. The Grantee agrees not to introduce any non-native animal, with the exception of common household pets, such as cats, dogs, and caged birds, to Water Island.
4. The Grantee agrees not to use as a matter of course, off-road vehicles or heavy duty, mechanical beach cleaning equipment on any beach on Water Island and agrees further to keep animals off any beach on Water Island. This restriction shall not prohibit Grantee from using heavy duty equipment to return the beach to its condition prior to any major storm or natural disaster.
5. The Grantee agrees to buy and the Grantor agrees to sell the property in consideration of the following obligations to be assumed by the Grantee.
 - a. The Grantee agrees to use all property for public purposes only, and as such the name of Water Island will be retained to promote economic development of Water Island for the benefit of the U.S. Virgin Islands, including the residents of Water Island. For purposes of this provision, the operation of a hotel or tourist resort on the property shall be deemed a public purpose.
 - b. The Grantee agrees to assume all liability that may arise from the property prospectively effective as of the date of closing.
 - c. The Grantee agrees to provide the following services on Water Island:
 - (1) A public dock, with regular scheduled public ferry service, and a deep-water dock
 - (2) Maintenance of roads and docks
 - (3) Establishment and maintenance of public recreation areas, including the public beaches on Water Island
 - (4) Fire protection
 - (5) Public safety officers
 - (6) Inspection and licensing of motor vehicles
 - (7) Regular trash removal
 - d. The Grantee agrees that Water Island residents will have access to public health, education, and municipal services on the same basis as other residents of the Virgin Islands. It is understood that, due to the unique

condition of Water Island, some of the municipal services may be provided in a location other than Water Island (such as St. Thomas).

6. As set forth more fully in Exhibit 4 "Water Island Environmental Restrictive Covenants," Grantor has complied with the requirements of section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 42 U.S.C. § 9620(h) to the extent required with respect to the property subject to this sale. Consistent with CERCLA section 120(h)(3), Grantor covenants that all action currently necessary to protect human health and the environment with respect to hazardous substances remaining on the property as of the date of transfer has been taken.
7. The Grantee agrees to comply with the Environmental Restrictive Covenants attached hereto as Exhibit 4, including covenants necessary to assure use of property consistent with the environmental condition of the Flamingo Bay Landfill. The Flamingo Bay Landfill area is described in the attached Exhibit 5, boundary description and map, dated September 2004.
8. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this deed or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this deed if made with a corporation or company for its general benefit.
9. The Grantee hereby agrees to indemnify and hold harmless the United States, its employees, agents and assigns from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death arising out of the Grantee's activities under this Deed, including any breach of any covenant or failure to perform any obligation. In addition, subject to Grantor's warranty and covenants in Exhibit 4, Grantee hereby agrees to indemnify and hold harmless the United States, its employees, agents and assigns from any loss or damage and from any liability arising from releases of hazardous substances caused or contributed to by Grantee, or for which Grantee is otherwise responsible under Commonwealth or federal law.
10. The Grantee hereby releases the United States, its Departments, agencies, and employees from any claim for the value of possessory interests in improvements on Water Island whether the claim is predicated upon the Water Island master lease of 1952, any sublease, or any other basis. This release covers all and every property interest on Water Island including the interest in any home or dwelling as may have been constructed by the Grantee and the interest in common properties on Water Island including by way of example roads, docks, and beaches. The Grantee hereby agrees not to bring any claim for the value of any alleged possessory interest against the United States, its Departments, agencies, or employees in any judicial, administrative, arbitration, or other forum.

IN WITNESS WHEREOF, the Grantor has signed this instrument as of the date first written above.

THE UNITED STATES OF AMERICA,
DEPARTMENT OF THE INTERIOR

Nikolas Pala Director
Office of Insular Affairs

By James Johnson

IN WITNESS WHEREOF, the Grantee has acknowledged receipt of this instrument as of the date first written above.

THE UNITED STATES, VIRGIN ISLANDS
OFFICE OF THE GOVERNOR

Charles W. Thornhill
Governor, U.S. Virgin Islands

By James A. O'Bryan, Jr

WITNESSES: (two required)

Henry P. Bush

On this 29th day of March, 2004 before me, personally appeared Nikolas Pala who acknowledged himself to be the Director, Office of Insular Affairs, United States Department of the Interior (Department). On behalf of the Department, he, being authorized to do so executed the foregoing instrument on behalf of the Department for the purposes therein contained by signing his name.

In witness whereof I hereunto set my hand and official seal.

Alfred J. [Signature]

Notary Public

My commission expires 4/30/07

CERTIFICATION

The undersigned hereby certifies that for recording purposes, the consideration for the within conveyance does not exceed \$ _____

**NOTED IN THE CADASTRAL RECORDS
FOR COUNTRY/TOWN PROPERTY BOOK FOR
WATER ISLAND, NO.10 SOUTHSIDE
QUARTER, ST. THOMAS, VIRGIN ISLANDS.**

**Cadastral Survey/Tax Assessor Offices
St. Thomas, V.I. Dated: May 18, 2005
Thyllis Harrison, Special Assistant to the
Tax Assessor for Survey
Office of the Lieutenant Governor**

SUBJECT:

It is hereby certified that the above
mentioned property/s which, according
to **QUITCLAIM DEED** dated March 29, 2005
belong to: **THE GOVERNMENT OF THE U.S.,
VIRGIN ISLANDS, through the Governor (GRANTEE)**

**Cadastral Survey/Tax Assessor Offices
St. Thomas, V.I. Dated: May 18, 2005
Thyllis Harrison, Special Assistant to the
Tax Assessor for Survey
Office of the Lieutenant Governor**

SENT BY:
06-18-06

14:56

POST-TRANSMIT 11:11 AM

6- 1- 5 : 3:58PM :OFFICE OF PUBLIC REI -

1 340 777 9587;#88

Kronprindsens Gade

TRD-B-537

**GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES
CHARLOTTE AMALIE, ST. THOMAS, V.I. 00801**

**DEPARTMENT OF FINANCE
TREASURY DIVISION**

TO: THE RECORDER OF DEEDS

FROM: THE TREASURY DIVISION

IN ACCORDANCE WITH Title 28, SECTION 121 AS AMENDED, THIS IS

CERTIFICATION THAT THERE ARE NO REAL PROPERTY TAXES

OUTSTANDING FOR THE UNITED STATES GOVERNMENT

Water Island,
Southside Quarter (PARCEL NO.) 5-07104-0101-00

TAXES RESEARCHED UP TO AND INCLUDING 2003.

RESEARCHED BY:

Marcel Hedrington
Marcel Hedrington

TITLE:

Chief, Enforcement

DATE:

August 03, 2004

VERIFIED BY:

Charles Debor
Charles M. Debor

TITLE:

Chief, Revenue Collection

DATE:

August 03, 2004

COLLECTOR NO.

8501

Exhibit 2
Water Island
Restrictive Covenants

The restrictive covenants specified are necessary to maintain a no jeopardy opinion by the U.S. Fish and Wildlife Service in compliance with the Endangered Species Act and to protect cultural resources in compliance with the National Historic Preservation Act. All lots and tracts referred to herein are those shown on the 1979 Bureau of Land Management map, a copy of which is attached as Exhibit 1 to all contracts.

DEFINITIONS OF TERMS

For purposes of these restrictive covenants all lots, parcels, villas, and areas of Water Island which have restrictions and are identified below, will be defined as either permanent nondevelopment or restricted development covenant. Any specific restrictions will be identified under restricted development covenant.

Permanent nondevelopment (if not already developed) means that to prevent erosion and other disturbances to endangered species, no additional development or removal of vegetation cover may occur from this date forward unless consulted and approved by the U.S. Fish and Wildlife Service and Virgin Islands Division of Fish and Wildlife; in addition with the Virgin Islands State Historic Preservation Officer for those few lots identified with an asterisk (*) below which have cultural restrictions. Those lots identified with an asterisk will also be provided a copy of the Preservation Covenant.

Restricted development covenant (if not already developed) is a covenant agreed to by the U.S. Fish and Wildlife Service and Bureau of Reclamation that should a building be constructed, only the vegetation within the footprint of the building, associated patio, and driveway is to be disturbed. This would help to reduce erosion into sensitive adjacent marine environments where sea turtles forage.

Lighting restrictions are performance based, meaning that lights are not to be directly visible from any beach. If new lighting is developed, it should be reviewed and the placement approved by the U.S. Fish and Wildlife Service, in conjunction with the Virgin Islands Division of Fish and Wildlife. Existing outdoor lighting (if any) would be reviewed and, if necessary, replaced with shielded outdoor lighting or otherwise modified to not be visible from the beach.

RESTRICTIVE COVENANTS ON ALL WATER ISLAND AREAS

The Buyer agrees not to introduce any non-native animal, with the exception of common household pets, such as cats, dogs, and caged birds, to Water Island.

The Buyer further agrees not to use off-road vehicles or heavy duty, mechanical beach cleaning equipment on any beach on Water Island and that animals will be kept off any beach on Water Island. This restriction shall not prohibit Buyer from using heavy equipment to return the beach to its conditions prior to any major storm or natural disaster.

Owners of boats, lessees, visitors, and clients must moor only at designated mooring sites to minimize impacts to the seagrass beds. The type, number, and location of these moorings will be determined in cooperation with the Virgin Islands Government, U.S. Fish and Wildlife Service, and the National Marine Fisheries Service. Anchoring or mooring in other areas would be prohibited.

RESTRICTIVE COVENANTS ON PUBLIC COMMON AREAS

Permanent Nonddevelopment

Tract A Fort Segarra

Tract D (excluding privately owned lots 61, 62, 63, 86, and 87)

Tract F (cultural restriction*) Requires signed Preservation Covenant

Area J (cultural restriction*) Requires signed Preservation Covenant

Lot 279 (cultural restriction*) Requires signed Preservation Covenant

All salt ponds will be maintained as permanent nonddevelopment which will consist of a buffer zone 13 feet (4 meters) in width, beginning with the upper limit of the wetlands to protect the candidate species known to inhabit the ponds.

Marina Basin off Flamingo Bay will be maintained as permanent nonddevelopment which will consist of the mangrove fringe and buffer zone 13 feet (4 meters) in width, beginning with the upper limit of the wetlands.

Restricted Development Covenant

Tract B previously developed portions may be redeveloped for a hotel or tourist resort. This reference to tract B, excludes the villas and privately owned lots 48-60.

Tract B nonddeveloped portions

Tract C, including Honeymoon Beach, will also include restrictions, such as setbacks from beachfront vegetation, in addition to outdoor lighting restrictions, to minimize impacts to sea turtles should additional development take place.

RESTRICTIVE COVENANTS ON SOUTHERN LOTS (WICA AREA)

Permanent Nondevelopment

The following lots if not already developed:

- Lots 72 and 73 (cultural restrictions*) Requires signed Preservation Covenant
- Lot 112 (cultural restriction*) Requires signed Preservation Covenant

Restricted Development Covenant

The following lots if not already developed:

- Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10
- Lots 20, 21, 22, 23, 24, 25, 26, 27, 28, and 29
- Lots 61, 62, and 63
- Lot 71, including lighting restriction
- Lot 78
- Lots 86 and 87
- Lots 94 and 95
- Lot 100
- Parcels 111, 142, and 143

RESTRICTIVE COVENANTS ON SPRAT BAY PROPERTIES

Permanent Nondevelopment

The following lots if not already developed:

- Lot 201 (cultural restriction*) Requires signed Preservation Covenant
- Lots 205 and 206 (cultural restriction*) Requires signed Preservation Covenant
- Lot 208 (cultural restriction*) Requires signed Preservation Covenant
- Lots 209 and 210
- Lot 230
- Lot 234
- Lot 270

Restricted Development Covenant

- Lots 202, 203, and 204

SENT BY:

6- 1- 5 : 3:52PM :OFFICE OF PUBLIC REL-

1 340 777 9587:#13

Lot 207

Lots 211, 212, 213, 214, 215, 216, 217, 218, 219, and 220

Lots 221, 222, 223, 224, 225, 226, 227, 228, and 229 (all including lighting restrictions)

Lots 231, 232, and 233

Lot 268

Lot 278

QUITCLAIM DEED

THIS INDENTURE, made this 12th day of December, 1996, between **THE UNITED STATES OF AMERICA**, by and through its **DEPARTMENT OF THE INTERIOR, OFFICE OF INSULAR AFFAIRS**, herein called the "Grantor," and **THE GOVERNMENT OF THE U.S. VIRGIN ISLANDS**, herein called the "Grantee."

WITNESSETH: That for and in consideration of the sum of **TEN DOLLARS (\$10.00)** and other good and valuable consideration, receipt of which is hereby acknowledged, the Grantor hereby grants, sells, releases, and quitclaims to the Grantee, the successors and assigns of the Grantee, all of the right, title, and interest of the Grantor in the real property including the improvements thereon described as follows:

Property located on Water Island near St. Thomas, United States Virgin Islands, designated as the hotel site and associated properties on Tract B (excluding the villas, lots 48 through 60, and lots 24 and 25), including the catchment basin and deep water dock; the beach and associated lands on Tract C; and the public ferry dock and associated lands on Tract E as marked and shown on a copy of the 1979 map of the Department of the Interior, Bureau of Land Management, (revised July 1996) attached hereto as Exhibit 1, and containing according to said map approximately 50 acres, more or less and by reference made a part hereof. All public roads on Water Island, excluding those on the Sprat Bay properties, are also included.

TOGETHER WITH the rights, privileges, and appurtenances, including the use of the roads, ways, and public areas presently existing and designated for such purpose on said map, for use in common with other owners, for ingress and egress to said property.

TO HAVE AND TO HOLD the premises conveyed hereby in fee simple forever.

SUBJECT, HOWEVER, to Virgin Islands zoning regulations, now or hereafter in force, laws, rules, and regulations of the United States Virgin Islands, and to covenants, restrictions, and easements of record, all of which shall run with the land and be binding upon the owners of all lots on Water Island, and inure to the benefit of all of such lots and to the Grantor herein. Additionally, the following nine items are also included as covenants and easements of record:

1. The property is sold in as is condition with no express implied warranties other than those expressly stated herein and subject to Article 6 below.

2. The Grantee agrees to comply with use restrictions on the property set forth in the list of Restrictive Covenants attached hereto as Exhibit 2, and by this reference made a part hereof which shall run with the land and be binding upon the owners from time-to-time of all lots on Water Island. Said list complies with the United States Fish and Wildlife Service Biological Opinion (no jeopardy) to protect endangered species and the National Historic Preservation Act to protect cultural and archaeological resources. Specific restrictions are addressed by tract and location.

3. The Grantee agrees not to introduce any non-native animal, with the exception of common household pets, such as cats, dogs, and caged birds, to Water Island.

4. The Grantee agrees not to use as a matter of course, off-road vehicles or heavy duty, mechanical beach cleaning equipment on any beach on Water Island and agrees further to keep animals off any beach on Water Island. This restriction shall not prohibit Grantee from using heavy duty equipment to return beach to its condition prior to any major storm or natural disaster.

5. The Grantee agrees to buy and the Grantor agrees to sell the property in consideration of the following obligations to be assumed by the Grantee.

a. The Grantee agrees to use all property for public purposes only, and as such the name of Water Island will be retained to promote economic development of Water Island for the benefit of the U.S. Virgin Islands, including the residents of Water Island. For purposes of this provision, the operation of a hotel or tourist resort on the property shall be deemed a public purpose, and the Grantee agrees to make a reasonable effort to have such an operation established.

b. The Grantee agrees that if the above identified property or any portion thereof is sold, the proceeds shall be paid to the United States Department of the Interior unless there is a written agreement between the Governor of the Virgin Islands and the Secretary of the Interior in effect prior to the sale providing for a different disposition.

c. The Grantee agrees to assume all liability that may arise from the property prospectively effective as of the date of closing.

d. The Grantee agrees to provide the following services on Water Island:

- (1) A public dock, with regular scheduled public ferry service, and a deep-water dock
- (2) Maintenance of roads and docks
- (3) Establishment and maintenance of public recreation areas, including the public beaches on Water Island
- (4) Fire protection
- (5) Public safety officers
- (6) Inspection and licensing of motor vehicles
- (7) Regular trash removal

e. The Grantee agrees that Water Island residents will have access to public health, education, and municipal services on the same basis as other residents of the Virgin Islands. It is understood that, due to the unique condition of Water Island, some of the municipal services may be provided in a location other than Water Island (such as St. Thomas).

6. The Grantor will comply with the requirements of Section 9620 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1981 (CERCLA), 42 U.S.C. 9620, to the extent required with respect to the property subject to this sale. Grantor agrees to remove asbestos materials in the catchment basin. A list of suspected additional hazardous materials Grantor believes to be stored on the site is attached as Exhibit 3, Potential Hazardous Substances and Solid Wastes on Water Island, U.S. Virgin Islands (March 1994), to this quitclaim deed. The Grantor hereby agrees that any response action or corrective action with respect to these or other possible hazardous materials that may currently be present on the transferred property shall be the responsibility of the Grantor. The Grantor may seek to secure contribution from other potentially responsible parties under CERCLA. The Grantee hereby agrees to grant the Grantor access to the transferred property to the full extent necessary, in the judgment of the Grantor, to perform its responsibilities under CERCLA.

7. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this deed or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this deed if made with a corporation or company for its general benefit.

8. The Grantee hereby agrees to indemnify and hold harmless the United States, its employees, agents, and assigns from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death arising out of the Grantee's activities under this deed.

9. The Grantee hereby releases the United States, its Departments, agencies, and employees from any claim for the value of possessory interests in improvements on Water Island whether the claim is predicated upon the Water Island master lease of 1952, any sublease, or any other basis. This release covers all and every property interest on Water Island including the interest in any home or dwelling as may have been constructed by the Grantee and the interest in common properties on Water Island including by way of example roads, docks, and beaches. The Grantee hereby agrees not to bring any claim for the value of any alleged possessory interest against the United States, its Departments, agencies, or employees in any judicial, administrative, arbitration, or other forum.

IN WITNESS WHEREOF, the Grantor has signed this instrument as of the date first written above.

THE UNITED STATES OF AMERICA,
DEPARTMENT OF THE INTERIOR

Allen P. Stayman, Director
Office of Insular Affairs

By Allen P. Stayman

IN WITNESS WHEREOF, the Grantee has acknowledged receipt of this instrument as of the date first written above.

THE UNITED STATES, VIRGIN ISLANDS
OFFICE OF THE GOVERNOR

Roy L. Schneider
Governor, U.S. Virgin Islands

By Roy L. Schneider

WITNESSES: (two required)

Walker H. Schubert

Raymond J. [Signature]

On this 12th day of December, 1996, before me, personally appeared Allen P. Stayman, who acknowledged himself to be the Director, Office of Insular Affairs, United States Department of the Interior (Department). On behalf of the Department, he, being authorized to do so executed the foregoing instrument on behalf of the Department for the purposes therein contained by signing his name.

In witness whereof I hereunto set my hand and official seal.

Christian J. Roschelle
Notary Public
My commission expires 12/31/98

CERTIFICATION

The undersigned hereby certifies that for recording purposes, the consideration for the within conveyance does not exceed \$ _____.

DOCN 2002003305

06/25/2002 12:22:22 PM
Filed & Recorded in
Official Records of
ST. THOMAS/ST JOHN
WILMA O. HART SMITH
RECORDER OF DEEDS

**NOTED IN THE CADASTRAL RECORDS
FOR COUNTRY/TOWN PROPERTY, BOOK FOR
WATER ISLAND, NO. 10 SOUTHSIDE QUARTER
ST. THOMAS, VIRGIN ISLANDS.**

**Cadastral Survey/Tax Assessor Offices
St. Thomas, V.I. Dated: February 13, 1997.
Verne R. Callwood, Tax Assessor
Office of the Lieutenant Governor**

ATTEST:

It is hereby certified that the above
mentioned property/s which, according
to QUITCLAIM DEED dated December 12, 1996.
belongs to: THE GOVERNMENT OF THE U.S.
VIRGIN ISLANDS.

**Cadastral Survey/Tax Assessor Offices
St. Thomas, V.I. Dated: February 13, 1997.
Verne R. Callwood, Tax Assessor
Office of the Lieutenant Governor**

Doc# 2002003305

EXHIBIT A

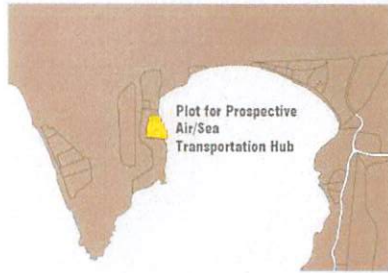
Comprehensive Plan



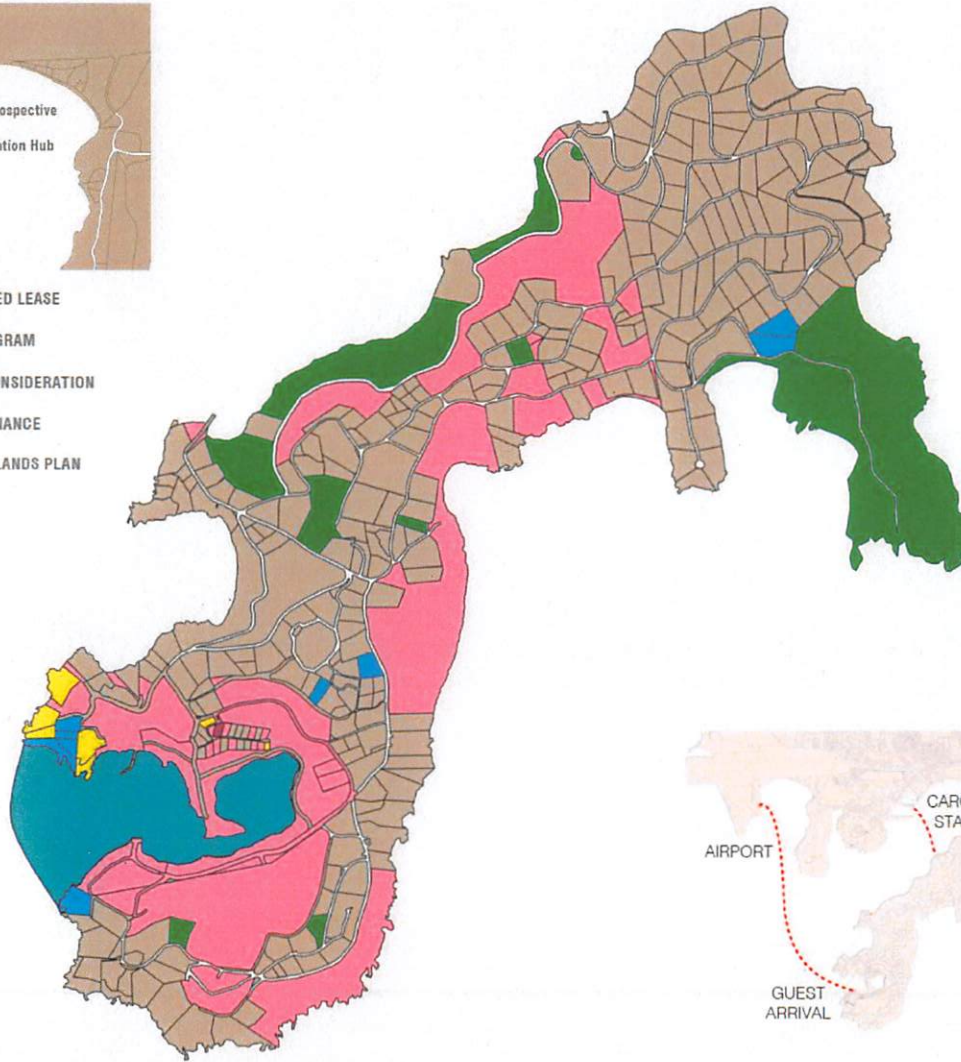
WATER ISLAND, ST. THOMAS, USVI
A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES

CONCEPTUAL PRESENTATION - BWGA
PLANNING AND DESIGN by INNOVATION ARCHITECTURE





- PLOTS INCLUDED IN AMENDED LEASE
- PLOTS IN PURCHASING PROGRAM
- PLOTS IN PROCUREMENT CONSIDERATION
- SITES FOR LIMITED MAINTENANCE
- PRELIMINARY SUBMERGED LANDS PLAN



A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES WATER ISLAND, ST. THOMAS, USVI

PROJECT DESCRIPTION

1. HOSPITALITY & RESIDENTIAL

Luxury Branded Hotel: 88-110 keys (avg. 700 sq. ft. per unit) totaling approx. 84,000 sq. ft.

Signature Residential Collection: 92 total units (approx. 250,000 sq. ft.):

Villas: 20+ units (3,400-8,000 sq. ft.) situated primarily along the eastern coastline

Townhouses: 20 units (avg. 3,000 sq. ft.)

Condominiums: 52 units (avg. 3,400 sq. ft.)

Hotel Front-of-the-House: 46,000 sq. ft. encompassing reception, lounges, signature restaurants, bars, and a full-service spa.

Aquatic Amenities: Multiple swimming and dipping pools integrated with hotel keys, featuring curated water features throughout the property.

2. MARITIME & COMMERCIAL HUB

Full-Service Marina: 120 slips with designated priority berthing for registered Water Island residents.

Harbor Village: 24,000 sq. ft. of commercial space including a ship chandlery, marine-lifestyle boutiques, and boutique dining.

Transportation Links: Private helicopter and boat transfers from the airport directly to the Marina. Available also for all residents. Scheduled ferry service connecting the North Point (Employee Village) to the St. Thomas main harbor dock.

3. EMPLOYEE VILLAGE & COMMUNITY SERVICES

Staff Infrastructure: Dedicated housing for 300 employees including a "Back-of-House" operations center (150,000 sq. ft.).

Community Retail & Care: Comprehensive services open to all Water Island residents, including:

- Grocery, sundries, and drug store.
- Medical emergency center and daycare.
- Personal services (barber, beauty shop, dry cleaners).
- Fire control and security headquarters.

4. SUSTAINABILITY & RESILIENCE

Eco-Standards: Designed to LEED Platinum and Gold standards for power, potable water, waste management, and telecommunications.

Advanced Construction: Utilization of Steel Volumetric Modular Systems for maximum hurricane resilience; all structures compliant with US authorities and featuring designated refuge areas for the island community.

Modern Infrastructure: All Lease area existing and new power lines will be relocated underground.

Site Connectivity: Extensive upgrades to all roads on leased lands; development of maintained bike and walking paths throughout the property.

5. ZONING & COMPLIANCE

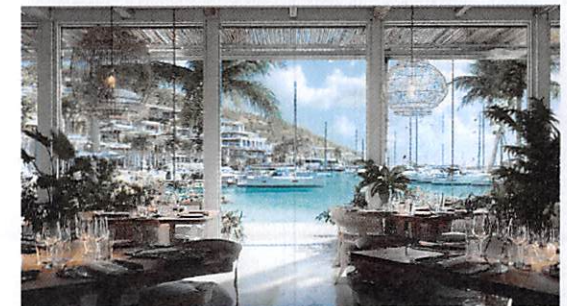
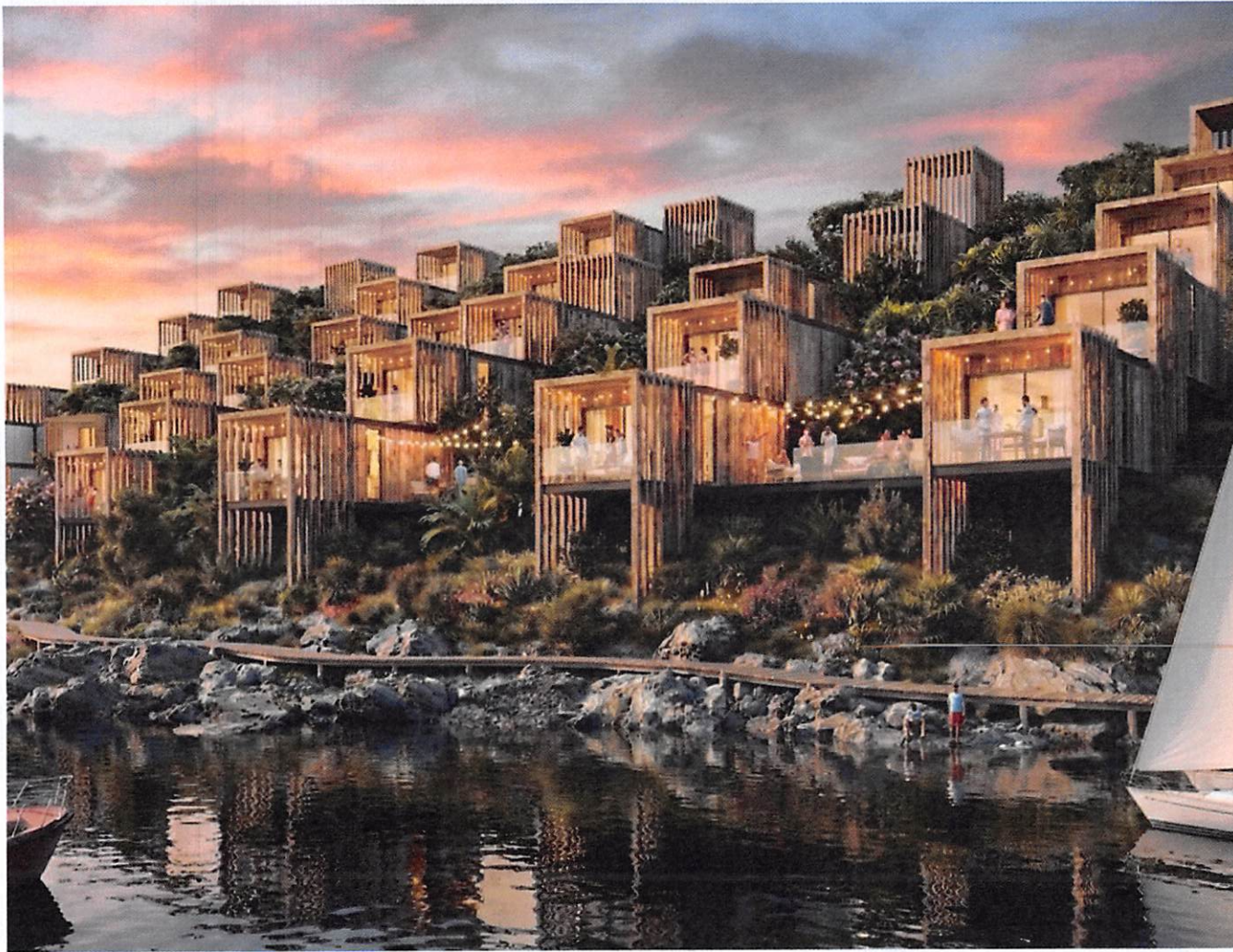
Development Limits: All construction strictly adheres to W-1 requirements and lease mandates.

Height Restrictions: Structures are limited to a maximum of 2 stories above the ground floor, not to exceed 35 feet in height.



MASTER PLAN

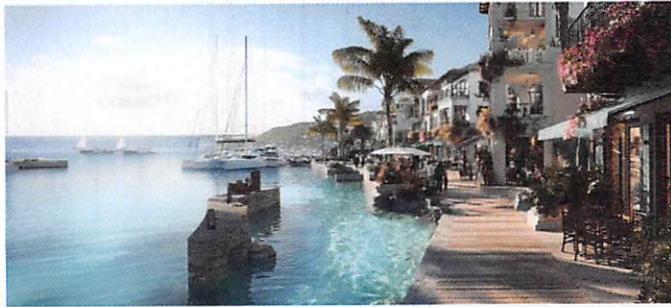
A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES
 WATER ISLAND, ST. THOMAS, USVI



DESIGN VISION - HOTEL

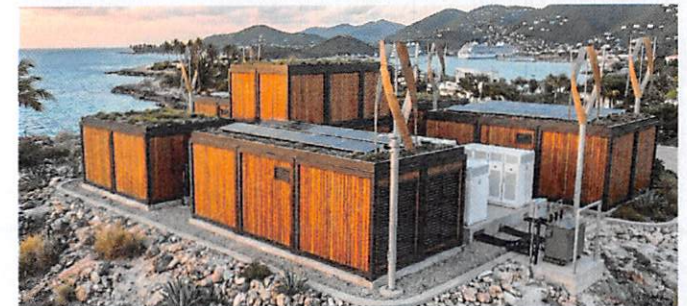
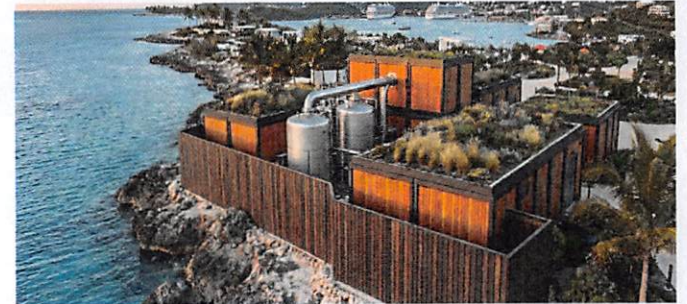
A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES
WATER ISLAND, ST. THOMAS, USVI

The hotel's design prioritizes a low-density footprint by minimizing the scale of its structures. As the development ascends the hillside, buildings are limited to approximately 12 keys each, serviced by dedicated mechanical transport. To preserve the landscape, no structure exceeds two stories above the adjacent grade, ensuring a subtle visual profile when viewed from the harbor and water's edge.



DESIGN VISION - RESIDENCES

A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES
WATER ISLAND, ST. THOMAS, USVI



DESIGN VISION - EMPLOYEE HOUSING/RETAIL

A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES
WATER ISLAND, ST. THOMAS, USVI

Volumetric Modular Construction (VMC)

VMC is an offsite building method where fully enclosed 3D modules complete with structure, MEP, and finishes are fabricated in a controlled factory and then transported for rapid on-site assembly. Used widely in residential, hospitality, healthcare, and student housing, it enables highly repeatable and efficient design. VMC offers **faster build times** (up to 50% quicker through parallel factory and site work), **lower and more predictable costs** (reduced labor, bulk material purchasing, and significantly less waste), **higher quality and safety** through controlled production, and **greater sustainability** with reduced environmental impact. It also provides **flexible, customizable, and potentially relocatable** building options. Challenges remain in areas such as transportation logistics and high-rise seismic design.



Task Name	2026	2027	2028	2029
Procurement of Equipment	█			
Mobilize to the Island	█			
Fencing, Signage, Lights, Cameras	█			
Dredge and Salvage Pond	█			
Mulch Limits of Disturbance	█			
Floating Dock @112	█			
Develop Areas O&P	█	█		
Civil and Infrastructure	█	█		
Phase 2 Clearing and Scarifying		█		
Phase 1 Hotel		█	█	
Foundations		█		
Phase 1 Clearing and Scarifying		█		
Civil, Roads, Crane Pads		█		
Marina Construction		█	█	
Phase 2 Construction			█	
Landscaping P1 P2			█	
Project Closeout				█

CONSTRUCTION SCHEDULE THROUGH 2029

SPEED:
Up to 50% faster than traditional construction

WASTE:
70% reduction in construction waste

TRAFFIC:
90% fewer transport vehicle trips

PERFORMANCE:
30% better thermal performance

MODULAR CONSTRUCTION AND SCHEDULES

A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES
WATER ISLAND, ST. THOMAS, USVI



Modular Study and Application to be more sustainable and resilient, reduce time and costs, enhance quality, and allow the project to be developed, with seamless quality assurance provided by Intertek, a third-party inspector with an established track record with our modular manufacturer.

Hilton

7820 Jones Branch Drive
McLean, VA 22102
(703) 885-7000

Private & Confidential
Subject to Contract & Board Approval

February 6th, 2026

Steven Miller
INNOVATION Architecture

Re: Proposed Hotel project – Water Island Luxury Resort, St. Thomas, United States Virgin Islands
("Proposed Hotel")

Dear Steven,

I am delighted to confirm through this letter that Hilton is interested in exploring the possibility of developing a luxury resort and residences concept with one of our luxury brands in partnership with you at Water Island, St. Thomas, USVI. We are now ready to move on to the next stage and start developing the project to make sure we position the property as one of the leading luxury resorts of the Caribbean.

Hilton has a long-standing history in the Caribbean with our first hotel outside the continental United States being the Caribe Hilton in San Juan, Puerto Rico which opened in 1949. We've always been strong believers in the Caribbean market and see Water Island as a fantastic new destination to offer to our loyal customer base of 250 million members.


To continue exploring this exciting opportunity, we would need to conduct our standard due diligence and review any other available materials that you believe would be useful in evaluating this project. Our involvement, should we reach agreement, would be on the basis of our standard franchise or management agreements and would be subject to committee approval.

We look forward to contributing to the development of the travel & tourism sector in the USVI in partnership with you and turning this property into one of our most sought-after resorts in the region through elevated design focused on enhancing guest experience.

Should you have any questions concerning this letter, I would be happy to discuss those with you.

Sincerely,

HILTON WORLDWIDE MANAGE LIMITED

By: 

Name: Louis Journal
Title: Development Caribbean

Marriott

281 Ponce de Leon
Suite 303, Coral Gables,
FL 33134

Paula Cerrillo
Vice President Development,
The Caribbean
Marriott International, Inc.

Steven Miller, FAIA, RIBA, Principal
Bluewater-Global Advisors, LLC
Steven@bluewater-global.com

20 February 2026

Re: Marriott Expression of Interest- Water Island, St. Thomas, USVI.

Following our recent meeting and review of the proposed master plan, we are pleased to formally express our interest in participating in the development of a branded luxury resort, marina, and signature residential offering on Water Island.

Based on the preliminary scope shared — including a luxury hotel, branded residences, marina infrastructure, and the associated amenities required to meet international five-star standards — Marriott International would be inclined to propose one of its most exclusive luxury brands, The St. Regis, as a potential flag for the development.

This correspondence is intended solely to formalize our interest and willingness to proceed with further discussions toward structuring definitive agreements. Such agreements would establish the commercial terms and conditions governing any potential collaboration and would be subject to standard internal approvals, feasibility assessments, site inspections, and due diligence processes.

Marriott maintains a strong presence in U.S. Virgin Islands and continues to evaluate opportunities to expand its footprint within the territory. The proposed Water Island development represents a compelling opportunity to introduce an iconic luxury brand that could deliver meaningful economic impact and elevate the destination's global positioning.

Please accept this letter as a non-binding expression of interest, subject to Marriott's customary evaluation procedures and corporate approval processes.

We look forward to advancing discussions and exploring the opportunity to be part of this exciting and transformative project.

Yours sincerely,

Paula Cerrillo
Signed by:


 Paula Cerrillo
Vice President, Development, The Caribbean
Marriott International, Inc.

HYATT

February 9, 2026

Via Electronic Mail

Steven Miller
Principal
INNOVATION Architecture LLC
Coral Gables, Florida

Re: Proposed: Park Hyatt Hotel and Residences in Water Island, USVI

Dear Mr. Miller:

We are following up on our recent discussions regarding the proposed luxury resort and residences project to be developed on Water Island, USVI by your company. This letter confirms that based on our understanding of the market and your initial description of the project, we are pleased to express our preliminary interest in further evaluating the development of a Park Hyatt Resort and Residences on the proposed site.

Please note that this letter is only an expression of our interest to further evaluate this opportunity and does not create any legally binding obligation on Hyatt. You should not rely on this letter, or any further discussions regarding this potential transaction as an agreement, offer or commitment by Hyatt to enter into any transaction with respect to this project.

We look forward to continuing our discussions with you.

Sincerely,



Camilo Bolanos
Head of Development Latin America & the Caribbean
Hyatt International Inc.

Expression of Interest - Water Island USVI Luxury Resort

LETTERS FROM HOTEL COMPANIES

A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES WATER ISLAND, ST. THOMAS, USVI



Steven Miller, FAIA, RIBA, Principal Manager

For more than four decades, he has traveled the world as both an architect and real estate developer, shaping the skyline of luxury hospitality across continents. His career has taken him from the deserts of Abu Dhabi and Dubai to the historic cities of Florence and Prague, and onward to destinations as diverse as Riyadh, Egypt, Bali, Zanzibar, and the United States.

Among his many achievements, he played a leading role in the early development of several iconic properties, including the Mandarin Oriental, Augustin, and Le Méridien hotels in Prague; the Threadneedles Hotel in London; and the Park Hyatt in Milan. His collaborations span some of the most prestigious brands in hospitality: Park Hyatt, St. Regis, Ritz-Carlton, Marriott, InterContinental (IHG), and Hilton, helping to define their standards of design excellence and guest experience.

Beyond his global practice, he shares his expertise as a Professor at the University of Miami's School of Architecture, where he teaches in the Master of Real Estate program. As a lecturer and Studio Head, he guides future leaders in the development and design of international hotels, bridging the worlds of design, construction, and investment.

A recognized innovator in volumetric steel modular construction, he has worked closely with Hilton, Marriott, and other major hotel groups to advance this modern building method—enhancing quality, accelerating project delivery, and achieving greater cost efficiency. His work continues to push the boundaries of how great hotels are conceived, built, and experienced around the world.

Terry Smith, Principal Manager

An accomplished professional with a distinguished record of strategic leadership and financial insight, he brings decades of experience driving organizational success across diverse business sectors. Throughout his career, he has led multi-billion-dollar projects, guided large-scale teams, and implemented cost-reduction strategies that have strengthened operational performance and long-term growth.

A dynamic business development leader, he has a proven ability to identify and seize new market opportunities, foster lasting client relationships, and deliver sustained revenue expansion. His expertise spans the full spectrum of real estate development—overseeing financial performance, operations, and construction management to ensure seamless execution from initial concept through completion.

Known for his strategic approach to partnerships and negotiations, he has successfully structured and managed complex contracts that align with corporate objectives and enhance organizational value. His career reflects a consistent commitment to excellence, innovation, and measurable results in every aspect of business leadership.

- Master planning for \$2 billion USD Muscat resort. 5,000 homes, 1000+ keys for 4*/5* resort hotels
- Salam Yiti, 1,120 acres of development & construction. \$4.4 billion USD
- Dubai Pearl Mini-City \$10 billion USD



DEVELOPMENT TEAM

A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES
WATER ISLAND, ST. THOMAS, USVI



Steven Miller, FAIA, RIBA

A practicing architect with more than 60 years of professional experience, he is now a Principal at INNOVATION Architecture, a firm based in Coral Gables, FL. And is a Professor at the University of Miami School of Architecture. Over the course of his career, he has led work through his own practice, Planning and Design Consultants, and has served as a Regional Director at internationally recognized firms including KPF, Perkins Eastman, and FXCollaborative.

His portfolio spans international hospitality, adaptive re-use, urban planning, modular construction systems, residential planning, and real estate development. He has contributed to major projects in cities such as London, Prague, Milan, Dubai, Riyadh, and Bali, bringing a deep and diverse expertise to both architectural and real estate professionals.



Gustavo Ribeiro, AIA

Founder and partner of Sítio Arquitetur, an award-winning practice established in Brazil. Gustavo spent 30 years leading the design of residential, commercial, retail, mall, mixed-use, hospitality, cultural, and planning projects totaling more than 10 million square feet.

In 2024, he relocated to the United States and, together with Steven Miller, founded INNOVATION Architecture, a firm focused on designing and delivering high-quality projects with a global perspective and reach. He is also the founder and President of AIA Latin America and serves as an At-Large Director for AIA International. He is a licensed architect in Texas and Florida.



Zac Cronin, AIA Assoc.

A 2024 graduate of the University of Miami's School of Architecture, he was recognized with the Faculty Award for Outstanding Upper-Level Student Design for his modular city project, which re-imagined shipping containers as building blocks for a resilient urban environment adaptable to rising sea levels.

He is currently engaged in the planning and design of hotels, resorts, and student housing, with a focus on volumetric steel construction.



ARCHITECTURE TEAM

A BRANDED LUXURY RESORT, MARINA, AND RESIDENCES
WATER ISLAND, ST. THOMAS, USVI



THANK YOU

Exhibit B

Description of Leased Premises

Exhibit B - GVI Water Island Parcels			
	ID	SUB ID	Acreage
SECTION ONE - Original 2014 Lease WIDC-GVI			
	<i>Tract B</i>		
		B-1	
		B-2	2.317
		B-3	0.88
		B-4	0.51
		B-5	
		B-6	1.14
		B-7	6.339
		B-8	0.255
		B-9	0.339
		B-10	0.138
		B-11	0.999
		B-12	7.3
		B-13	3.932
		B-14	6.578
		B-15	0.988
		B-16	0.207
		B-17	0.376
		B-18	0.037
	<i>Total Tract B acres</i>		32.335
		<i>Lot 24</i>	0.592
		<i>Lot 25</i>	0.900
			1.492
	<i>Flamingo</i>		
		8	0.118
		9	0.124
		10	0.101
		14	0.119
		16	0.159
		18	0.182
		19	0.138
		22	0.092
		25	0.082
		26	0.079
	<i>Total Flamingo</i>		21.494
	<i>Tract C total acreage</i>		11
	<i>Catchment Area</i>		2.527
	<i>Total Tract C and Catchment</i>		13.527
	<i>Total Acreage to WIDC Current Lease</i>		35.021
SECTION TWO			
Per Lease Amendment - 2026			
	Area V		20
	Area Y		11
	Area V-1		0.283
	Area V-2		1.062
	Tract E		0.33
	Area W		0.518
	Area X		0.575
	Area I		0.84
	Area L		3.278
	Area N		1.5
	Area M		2.5
	Area M-1		1.5
	Area K & O		16.157
	Area P		4.419
		Carolina Pt	3.003
	Tract A		33.793
	Tract D		23.253
	Area A	Ft Segara	2.7
	Area R		5.23
	Area S		3.472
	Area T		0.322
	Tract F & G		10.562
	Plot D		0.873
	<i>Total Additional Acreage</i>		146.3793

TRANSFERRED BACK TO GVI
TRANSFERRED BACK TO GVI

LINE & CURVE TABLES
(refer to R.O.W. Parcel No. B-3)

LINE	LENGTH	BEARING
L1	25.77	S45°20'28"W
L2	20.44	S61°50'11"W

LINE & CURVE TABLES
(refer to LOT No. B-6)

LINE	LENGTH	BEARING
L1	25.77	S45°20'28"W
L2	20.44	S61°50'11"W
L3	38.35	S06°34'21"E
L4	33.17	S28°52'21"W
L5	8.85	S81°12'20"W
L6	13.87	N63°20'13"W

CURVE TABLE

CURVE	LENGTH	RADIUS
C1	28.89	25.00
C2	28.48	36.00
C3	13.53	36.00
C4	10.69	25.00
C5	28.44	35.00
C6	38.88	77.47

LINE & CURVE TABLES
(refer to LOT No. B-8)

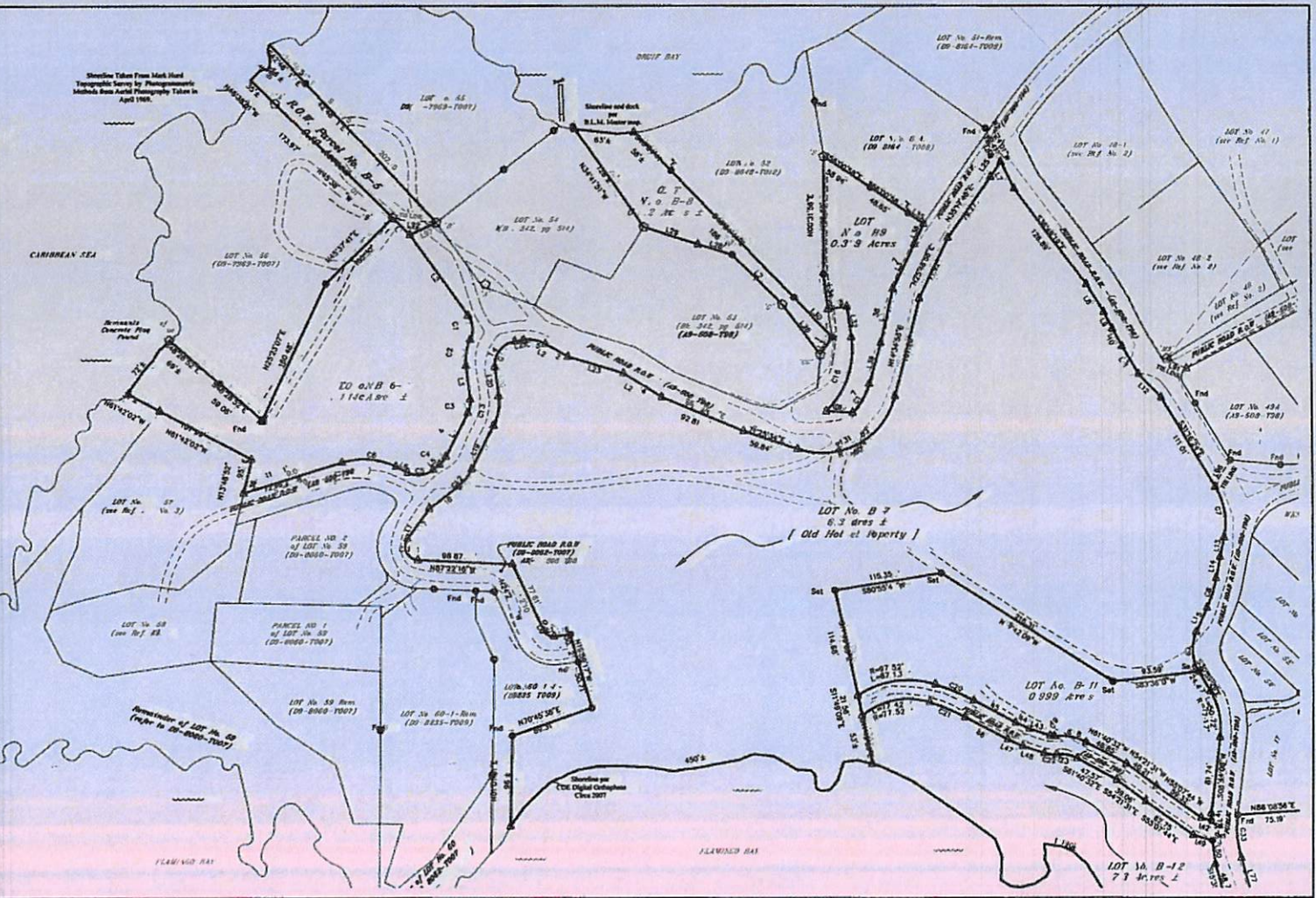
LINE	LENGTH	BEARING
L56	65.95	N38°24'44"W
L57	76.00	N84°56'44"W
L58	37.00	S72°42'44"W
L59	40.47	N72°17'07"W
L60	37.78	S53°11'00"W
L61	22.15	S32°52'34"W

LINE & CURVE TABLES
(refer to LOT No. B-7)

LINE	LENGTH	BEARING
L7	31.88	S28°45'34"E
L8	34.78	S32°34'20"E
L9	18.70	S26°20'20"E
L10	21.07	S88°43'17"E
L11	24.30	S31°49'53"E
L12	25.77	S61°50'11"E
L13	20.87	S11°38'10"W
L14	17.50	S11°38'02"W
L15	28.57	S74°10'47"E
L16	17.42	S53°21'27"W
L17	28.88	N15°25'27"E
L18	28.68	N57°21'25"E
L19	32.10	N28°52'21"E
L20	31.28	N06°24'21"W
L21	8.00	N63°30'07"E
L22	27.74	S60°24'13"E
L23	20.81	S72°21'42"E
L24	48.28	S57°28'27"E
L25	19.37	N33°00'15"E

CURVE TABLE

CURVE	LENGTH	RADIUS
C7	34.53	75.11
C8	33.77	150.14
C9	43.86	45.71
C10	18.11	11.21
C11	30.86	14.75
C12	23.52	55.00
C13	31.95	55.00
C14	20.75	25.00
C15	24.04	35.83



REFERENCE MAPS:

1. CERTIFICATE FROM THE UNITED STATES OF AMERICA BY THE PROVISION TO DEPARTMENT OF THE INTERIOR, OFFICE OF LAND SURVEY, IN WORTH LAND PROVISION, No. 1-1, MARSHALL ISLAND DATED FEBRUARY 11, 1957.

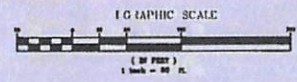
2. A CERTIFICATE FROM THE UNITED STATES OF AMERICA BY THE PROVISION TO DEPARTMENT OF THE INTERIOR, OFFICE OF LAND SURVEY, IN WORTH LAND PROVISION, No. 1-1, MARSHALL ISLAND DATED FEBRUARY 11, 1957.

3. A GENERAL SURVEY FROM THE UNITED STATES OF AMERICA TO BEHOLDEN BY US AS A CERTAIN QUANTUM BEING DATED SEPTEMBER 4, 1957 (A PORTION OF LOT NO. 50).

4. A GENERAL SURVEY FROM THE UNITED STATES OF AMERICA TO BEHOLDEN BY US AS A CERTAIN QUANTUM BEING DATED SEPTEMBER 4, 1957 (A PORTION OF LOT NO. 50).

THE N.E.B. ISLAND

LINE	LENGTH	BEARING
L90	28.20	S22°16'58"W
L91	28.20	S60°38'15"E
L92	48.24	S61°54'53"E
L93	28.57	S31°34'11"E
L94	48.08	N06°24'21"W
L95	33.02	S57°28'27"E



REFERENCE MAPS:

1. CERTIFICATE FROM THE UNITED STATES OF AMERICA BY THE PROVISION TO DEPARTMENT OF THE INTERIOR, OFFICE OF LAND SURVEY, IN WORTH LAND PROVISION, No. 1-1, MARSHALL ISLAND DATED FEBRUARY 11, 1957.

2. A CERTIFICATE FROM THE UNITED STATES OF AMERICA BY THE PROVISION TO DEPARTMENT OF THE INTERIOR, OFFICE OF LAND SURVEY, IN WORTH LAND PROVISION, No. 1-1, MARSHALL ISLAND DATED FEBRUARY 11, 1957.

3. A GENERAL SURVEY FROM THE UNITED STATES OF AMERICA TO BEHOLDEN BY US AS A CERTAIN QUANTUM BEING DATED SEPTEMBER 4, 1957 (A PORTION OF LOT NO. 50).

4. A GENERAL SURVEY FROM THE UNITED STATES OF AMERICA TO BEHOLDEN BY US AS A CERTAIN QUANTUM BEING DATED SEPTEMBER 4, 1957 (A PORTION OF LOT NO. 50).

- LEGEND:**
- ▲ STATIONED POINT
 - REAR BOUNDARY (see notes)
 - FRONT BOUNDARY (see notes)
 - INTERIOR "X" & "W" MARKS
 - OR CREATE BOUNDARY POINT
 - TAP "OPEN" CONCRETE BOUNDARY POINT
 - LETTER "X" CONCRETE PLACED POINT
 - LAMP "X" BOUNDARY POINT
 - ASPHALT OR GRAVEL ROADWAYS



Brian Moseley Associates, Inc.
Land Surveyors & Consultants

4008 RAPHAN HILL ROAD
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FAX (340) 778-4200

The Remainder of TRACT "B"
(Including LOTS No. B-6 thru B-18 and 24 & 25)
and R.O.W. Parcels No. B-5 & B-19
and An Un-Surveyed Portion of Water Island
Water Island (La Providence), No. 10 Southside Quarter
St. Thomas, U.S. Virgin Islands

Sheet: 1 of 3
DATE: 03-18-2017
PROJECT: 154-200-104

LINE & CURVE TABLES
(refer to LOT No. B-11)

LINE TABLE		
LINE	LENGTH	BEARING
L41	7.72	S89°24'24"E
L42	10.97	N73°19'30"W
L43	23.77	S71°37'18"E
L44	18.89	S66°33'00"E
L45	50.79	N68°21'00"W

CURVE TABLE		
CURVE	LENGTH	RADIUS
C18	34.81	37.69
C19	4.31	10.00
C20	44.63	260.00

LINE & CURVE TABLES
(refer to LOT No. B-12)

LINE TABLE		
LINE	LENGTH	BEARING
L46	30.47	S67°31'00"E
L47	17.67	S64°33'00"E
L48	24.98	S71°37'18"E
L49	21.24	S74°39'30"E
L50	24.94	S70°48'00"E
L51	55.18	N58°31'30"E
L52	35.02	N67°18'30"E
L53	59.81	S45°51'45"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C21	41.30	240.00
C22	13.83	30.00
C23	23.84	37.69
C24	34.82	48.00
C25	45.00	75.00
C26	120.43	108.48
C27	85.78	78.43

LINE & CURVE TABLES
(refer to LOT No. B-13)

LINE TABLE		
LINE	LENGTH	BEARING
L54	35.63	N68°27'00"E
L55	7.02	S74°12'00"E
L56	24.81	S70°23'24"E
L57	48.43	S81°36'57"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C28	38.78	38.48
C29	48.30	107.89
C30	8.42	5.94

LINE & CURVE TABLES
(refer to LOT No. B-14)

LINE TABLE		
LINE	LENGTH	BEARING
L58	44.81	S53°23'32"W
L59	38.77	S67°18'30"W
L60	10.84	S63°30'45"E
L61	20.81	N00°00'00"W
L62	37.50	N88°01'15"W
L63	22.88	N88°00'00"E
L64	22.88	S81°30'25"E
L65	47.43	N81°32'29"W
L66	28.84	N81°45'29"W
L67	23.98	N81°45'29"W
L68	27.68	N81°45'29"W
L69	23.97	N81°45'29"W
L70	47.98	N81°45'29"W
L71	31.33	N81°45'29"W
L72	15.88	N81°45'29"W
L73	7.82	N82°01'17"E
L74	30.54	N88°02'30"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C31	31.18	17.58
C32	30.88	20.00
C33	150.43	276.83

LINE & CURVE TABLES
(refer to LOT No. B-15)

LINE TABLE		
LINE	LENGTH	BEARING
L75	43.87	N67°18'30"E
L76	59.81	S45°51'45"E
L77	48.91	N63°30'00"W
L78	38.77	S87°18'30"W
L79	48.00	N00°00'00"E
L80	31.82	S07°00'00"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C34	34.82	48.00
C35	65.08	78.98
C36	176.43	108.48
C37	85.78	78.43
C38	41.33	48.96
C39	34.02	78.00

LINE & CURVE TABLES
(refer to LOT No. B-16)

LINE TABLE		
LINE	LENGTH	BEARING
L81	55.18	N58°31'30"E
L82	35.02	N67°18'30"E
L83	59.81	S45°51'45"E
L84	31.82	S07°00'00"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C40	41.33	48.96
C41	34.02	78.00

LINE & CURVE TABLES
(refer to LOT No. B-17)

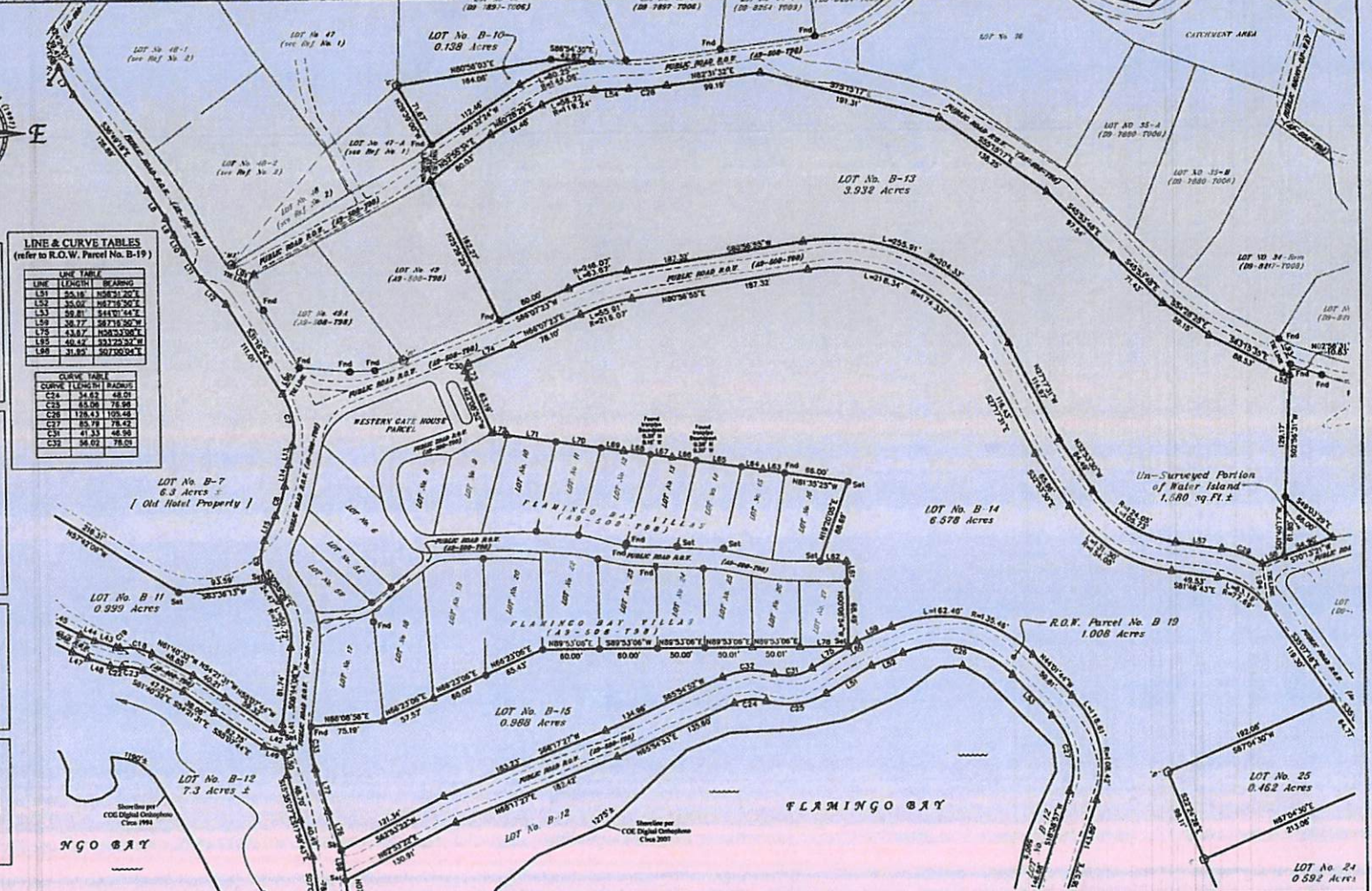
LINE TABLE		
LINE	LENGTH	BEARING
L85	30.47	S67°31'00"E
L86	17.67	S64°33'00"E
L87	24.98	S71°37'18"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C42	31.18	17.58
C43	30.88	20.00

LINE & CURVE TABLES
(refer to LOT No. B-18)

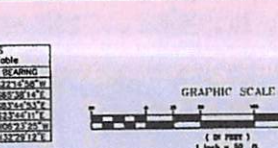
LINE TABLE		
LINE	LENGTH	BEARING
L88	30.47	S67°31'00"E
L89	17.67	S64°33'00"E
L90	24.98	S71°37'18"E
L91	21.24	S74°39'30"E
L92	24.94	S70°48'00"E
L93	55.18	N58°31'30"E
L94	35.02	N67°18'30"E
L95	59.81	S45°51'45"E

CURVE TABLE		
CURVE	LENGTH	RADIUS
C44	41.33	48.96
C45	34.02	78.00



THE LINES
Top Label Table

LINE	LENGTH	BEARING
L96	35.00	S87°18'30"W
L97	28.78	S82°34'14"E
L98	48.24	S82°44'53"E
L99	28.82	S32°42'11"E
L100	46.00	N00°00'00"E
L101	33.48	N32°29'12"E



REFERENCE MAPS
See Sheet No. 1 for Reference Maps

- LEGEND**
- UNMARKED POINT
 - NEAR BOUNDARY (see notes)
 - ONLY PIPE BOUNDARY (see notes)
 - JOINT SAIL & WASHED
 - CONCRETE IMPALMPOST FOUND
 - WOODPILE IN CONCRETE BOUNDARY FOUND
 - LETTERED CONCRETE PILE FOUND
 - COPPER ROD BOUNDARY FOUND
 - ASPHALT OR GRAVEL ROADWAYS



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The Remainder of TRACT "B"
(including LOTS No. B-6 thru B-18 and 24 & 25)
and R.O.W. Parcels No. B-3 & B-19
and An Un-Surveyed Portion of Water Island
Water Island (La Providence) No. 10 Southside Quarter
St. Thomas, U.S. Virgin Islands

DATE: 03-18-2013
SCALE: 1" = 50'

BY: W.J.E./L.R.
CHECKED: W.J.E.
DRAWN: W.J.E./D.J.S.
SCALE: 1" = 50'

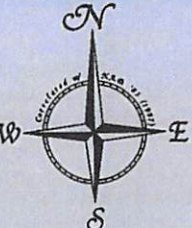
PROJECT: 85-3
FILE: 100-104

LINE & CURVE TABLES
(refer to LOT No. B-12)

LINE	LENGTH	BEARING
L48	31.67	S82°21'00"W
L47	17.85	S86°33'00"E
L46	24.20	S71°27'36"E
L45	21.25	S72°18'00"E
L44	24.81	S67°48'00"E
L43	30.18	S58°21'00"E
L42	25.87	S67°18'00"E
L41	28.81	S44°01'44"E

CURVE TABLE

CURVE	LENGTH	RADIUS
C11	41.82	242.00
C12	12.83	30.00
C13	27.89	27.89
C14	24.42	44.00
C15	65.08	78.98
C16	128.42	105.44
C17	85.71	78.22



LINE & CURVE TABLES
(refer to R.O.W. Parcel No. B-19)

LINE	LENGTH	BEARING
L24	25.18	S58°31'20"E
L23	33.02	S87°18'30"E
L22	38.87	S43°01'41"E
L21	38.77	S81°16'30"W
L20	43.87	S38°23'00"E
L19	46.12	S22°22'30"E
L18	31.89	S02°00'04"E

CURVE	LENGTH	RADIUS
C18	24.82	48.00
C19	63.09	78.98
C20	138.43	105.44
C21	85.71	78.22
C22	41.82	48.00
C23	84.02	78.01

LINE & CURVE TABLES
(refer to LOT No. B-16)

LINE	LENGTH	BEARING
L79	51.29	S72°08'41"W
L80	20.29	S83°27'39"W
L81	33.56	S88°53'27"E
L82	89.27	S88°06'29"W
L83	148.27	S81°38'27"E
L84	28.14	S72°12'00"E
L85	45.28	S51°21'17"E

CURVE TABLE

CURVE	LENGTH	RADIUS
C24	31.18	71.99
C25	150.48	218.83

LINE & CURVE TABLES
(refer to LOT No. B-17)

LINE	LENGTH	BEARING
L86	30.18	S87°30'57"E
L87	24.30	S81°52'27"E

CURVE TABLE

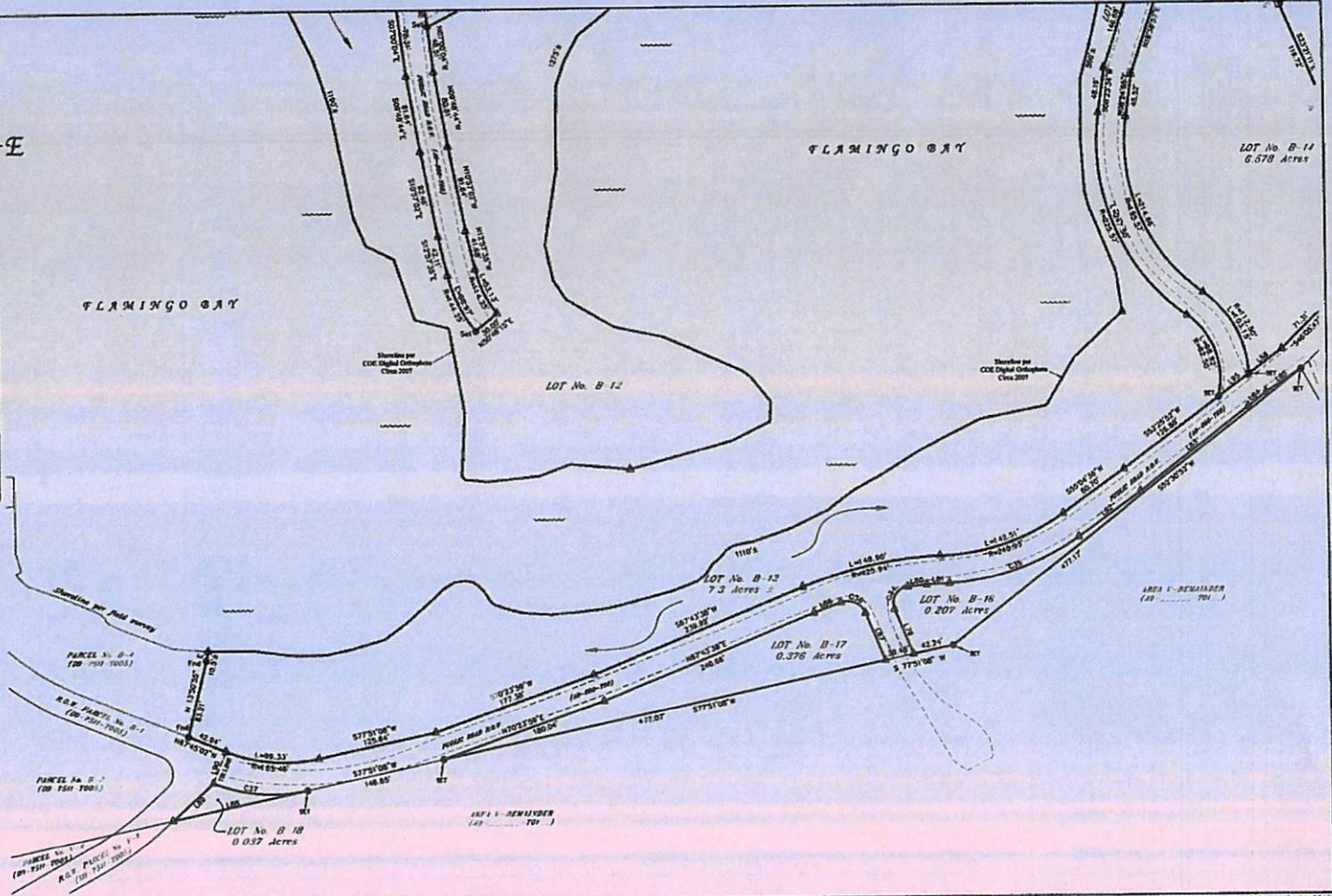
CURVE	LENGTH	RADIUS
C26	20.86	20.00

LINE & CURVE TABLES
(refer to LOT No. B-18)

LINE	LENGTH	BEARING
L88	115.37	N72°10'00"E
L89	28.31	N17°47'42"E

CURVE TABLE

CURVE	LENGTH	RADIUS
C27	126.53	187.52



SITE MAP



BE LINES
Top Label Table

LINE	LENGTH	BEARING
L90	25.90	S27°17'00"W
L91	28.78	S80°26'17"E
L92	68.20	S83°46'33"E
L93	29.27	S72°54'11"E
L94	48.00	S00°23'22"E
L95	33.45	N32°28'12"E



REFERENCE MAPS
See Sheet No. 1 for Reference Maps

LEGEND

- ▲ UNWARRANTED FINISH
- REBAR CONCRETE (for 4" dia)
- IRON PIPE ENCLOSURE (as noted)
- SURETY NAIL & WASHER
- FINISHED CONCRETE PAVEMENT
- FINISHED IN CONCRETE BOX VENT PAVEMENT
- ALTERED CONCRETE FINISH POINT
- CORNER AND BOUNDARY POINT
- SETBACK OR GRAYED ROADWAY

NOTES



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Sheet No. 1 of 3

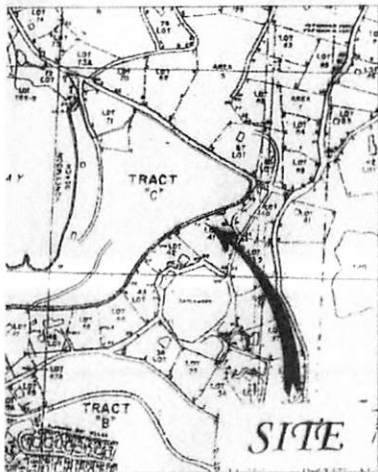
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CAD: W.B. DATE: 03-18-2013
DRAWN: W.B./D.L.S. DATE: 03-18-2013
SCALE: 1" = 30'

Revised: 12-12-2014

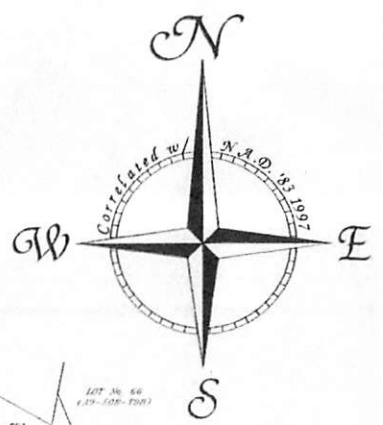
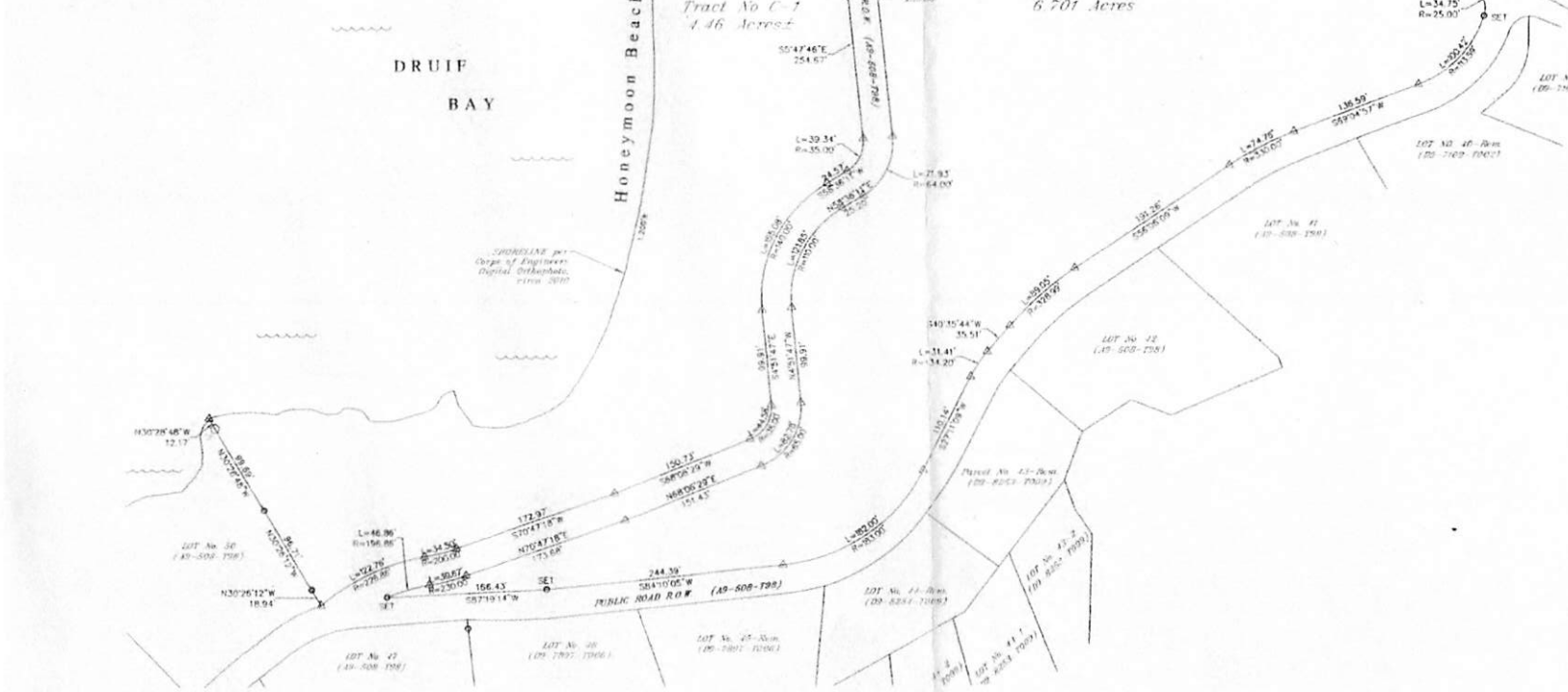
85-3
B.M. 200-104

EXHIBIT B-1

Catchment Area & Tract C



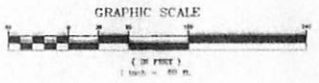
LOCATION MAP



- LEGEND**
- △ UNMARKED POINT
 - ⊙ MARKED POINT FOUND
 - ⊙ IRON PIPE BENCHMARK FOUND (unless noted otherwise)
 - ⊙ SURVEY NAIL & WASHER
 - ⊙ CONCRETE FLAG FOUND
 - ⊙ CONCRETE BENCHMARK FOUND

- REFERENCE**
- 19-508-798
 - 20-2007-7026
 - 20-8253-7023
 - 20-8254-7009
 - 20-8437-7044
 - 20-8772-7043
 - 20-8908-7044

SHORING
2



	Brian Moseley Associates, Inc. Land Surveyors & Consultants		4003 BATHURST HILL ROAD SUITE 600 ST. THOMAS, V.I. 00002 PHONE (340) 774-5110 FAX (340) 776-4090
	TRACT No. C-1 and TRACT No. C-Remainder Water Island (La Providence) No. 10 Southside Quarter St. Thomas, U.S. Virgin Islands		
DRAWN: W.J.E. CALC: A.C.F. TRAVER: D.J.E. SCALE: 1" = 80'	DATE: 08-25-2014 APPROVED: <i>[Signature]</i>	DRAWING NO.: 85-4 SHEET NO.: 19-801-7014	

WATER ISLAND DEVELOPMENT COMPANY, LLC

SUPPORTING BUSINESS DOCUMENTS

- (X) **Financial Statements/ Business Plan EXHIBIT A**
- (X) **Business License**
Expires: 06/30/2026
- (N/A) **Certificate of Liability Insurance (if already on property)**
Expires: N/A
- (N/A) **Articles of Incorporation**
- (X) **Articles of Organization**
- (N/A) **Certificate of Limited Partnership**
- (N/A) **Tradename Certificate (if applicable)**
Expires: N/A
- (X) **Corporate Resolution/ Memo Authorizing Signature**
Dated: 4/20/2026 Expires: N/A
- (X) **Certificate of Good Standing**
Dated: 06/30/2026 Expires: 06/30/2026
- (N/A) **Certificate of Existence**
Dated: N/A Expires: N/A



THE GOVERNMENT OF THE VIRGIN ISLANDS
DEPARTMENT OF LICENSING AND CONSUMER AFFAIRS
BUSINESS LICENSE

KNOW ALL BY THIS PRESENT

That, in accordance with the applicable provisions of Title 3 Chapter 16 and Title 27 V.I.C. relating to the licensing of businesses and occupations, and compliance having been made with the provisions of 10 V.I.C. Sec. 41 relating to the Civil Rights Act of the Virgin Islands, the following license is hereby granted.

Licensee:	WATER ISLAND DEVELOPMENT COMPANY, LLC		
Trade Name:	WATER ISLAND DEVELOPMENT COMPANY, LLC		
Mailing Address	Physical Address		
P O BOX 6347 CHARLOTTE AMALIE ST. THOMAS VI 00804	36A2-37A DRONNINGENS GADE CHARLOTTE AMALIE ST. THOMAS VI 00802		
Business No:	27754	License No:	1-27754-1L
Types of License(s) Business & Management Consulting Development & Sale of Own Property			

As provided by law, the authorized licensing authority shall have the power to revoke or suspend any License issued hereunder, upon finding, after notice and adequate hearing, that such revocation or suspension is in the public interest; provided, that any persons aggrieved by any such decision of this office shall be entitled to a review of the same by the Territorial Court upon appeal made within (30) days from the date of the decision; provided, further, that all decisions of this office hereunder shall be final except upon specific findings by the Court that the same was arrived at by fraud or illegal means.

2025

If a renewal is desired, the holder is responsible for making application for same without any notice from this office. It is the responsibility of the Licensee to notify the Department in writing within (30) days, when a license is to be cancelled or placed in inactive status. Failure to do so will result in the assessment of penalties as authorized by law.

Valid from 06/01/2025 until 06/30/2026
Printed on 11/26/2025
Issued at St. Thomas, V.I.
Fee 487.50

H. Nathalie Hodge
Commissioner, Department of Licensing and Consumer Affairs

THIS LICENSE MUST BE PROMINENTLY DISPLAYED AT PLACE OF BUSINESS



**Government of
The United States Virgin Islands**
-O-
*Office of the Lieutenant Governor
Division of Corporations & Trademarks*

CERTIFICATE OF GOOD STANDING

To Whom These Presents Shall Come:

I, the undersigned Lieutenant Governor the United States Virgin Islands, do hereby certify that **WATER ISLAND DEVELOPMENT COMPANY, LLC** has filed in the Office of the Lieutenant Governor the requisite annual reports and statements as required by the Virgin Islands Code, and the Rules and Regulations of this Office. In addition, the aforementioned entity has paid all applicable taxes and fees to date, and has a legal existence not having been cancelled or dissolved as far as the records of my office show.

Wherefore, the aforementioned entity is duly formed under the laws of the Virgin Islands of the United States, is duly authorized to transact business, and, is hereby declared to be in good standing as witnessed by my seal below. This certificate is valid through June 30th, 2026.

Entity Type: Domestic Limited Liability Company

Entity Status: In Good Standing

Registration Date: 02/11/2014

Jurisdiction: United States Virgin Islands, United States

Witness my hand and the seal of the Government of the United States Virgin Islands, on this 21st day of November, 2025.



Handwritten signature of Tregenza A. Roach in blue ink.

Tregenza A. Roach
Lieutenant Governor
United States Virgin Islands



**RESOLUTION OF THE CLASS B MANAGING MEMBERS
OF
WATER ISLAND DEVELOPMENT COMPANY, LLC**

The undersigned, being all of the Class B Managing Members of WATER ISLAND DEVELOPMENT COMPANY, LLC, a U.S. Virgin Islands limited liability company (the "Company"), hereby adopt the following resolutions by written consent in accordance with the Company's Operating Agreement:

WHEREAS, the Class B Managing Members as of the date of this resolution are as follows: **Stephen Evans-Freke and Tim Barber** (collectively, the "Managing Members"); and

WHEREAS, pursuant to Article 7.01 of the Company's Operating Agreement, the Company is managed by its Board of Managing Members, which exercises full and complete authority on behalf of the Company, including the power to contract to sell all the membership interests in the Company; and

WHEREAS, the Company holds a leasehold interest in real property known as Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. acres, and the Catchment Area consisting of approximately 3 acres, respectively (the "Property"); and

WHEREAS, the Managing Members of the Company, acting in their capacity as Seller, have contracted to sell all of the membership interest in the Company (the "Membership Interest") to Bluewater Global Advisors, LLC, a Florida limited liability company ("BGA"), as Buyer, pursuant to that certain Membership Interest Purchase Agreement dated on or about April 20, 2026 and attached hereto as **Exhibit A** (the "Agreement"), including all accompanying leasehold interests, entitlements, intellectual property, and other assets of the Company, on the terms and conditions set forth therein; and

WHEREAS, the Agreement requires, as an express pre-closing condition, that the Company enter into that certain Reinstatement and Amendment to Lease between the Company, as Lessee, and the Government of the Virgin Islands, as Lessor, concerning the Property, as attached hereto as **Exhibit B** (the "Reinstatement and Amendment to Lease"); and

WHEREAS, the Company desires to enter into the Reinstatement and Amendment to Lease with the Government of the United States Virgin Islands concerning the Property, which the Board of Managing Members has reviewed and determined to be in the best interests of the Company and its Members; and

WHEREAS, the Managing Members have determined that, solely as an accommodation and pre-closing concession to Buyer and solely as an inducement arising from the covenants, obligations, and consideration set forth in the Agreement, and for no other reason, it is in the best interests of the Company to authorize a single, named, limited agent to execute the Reinstatement and Amendment to Lease on behalf of the Company; and

WHEREAS, the Managing Members intend that such limited agency authorization shall be strictly confined to the execution and delivery of the Reinstatement and Amendment to Lease and shall confer upon the Authorized Agent (as defined below) absolutely no other right, power, authority, claim, or interest of any kind with respect to the Company, its assets, its business, or its Membership Interest; and

WHEREAS, the Company's agreement to appoint the Authorized Agent is expressly conditioned upon, and made solely in reliance on, Buyer's obligation under the Agreement to consummate the closing and pay the full purchase consideration in accordance with the terms of the Agreement by no later than **June 1, 2026** (the "Outside Closing Date"), and but for Buyer's said obligation to close and pay in full by the Outside Closing Date, the Company would not have agreed to provide this limited agency authorization under any circumstances; and

WHEREAS, for the avoidance of doubt, this Resolution does not authorize the Authorized Agent to: (i) execute any document other than the Reinstatement and Amendment to Lease in the form presented and approved by the Managing Members; (ii) bind the Company to any obligation not arising directly from the execution of the Reinstatement and Amendment to Lease; (iii) represent, pledge, encumber, transfer, or otherwise deal in the Membership Interest or any asset of the Company; or (iv) act in any capacity on behalf of the Company after the Reinstatement and Amendment to Lease has been duly executed and delivered; and

WHEREAS, the Company intends that this limited agency authorization shall terminate automatically and without further action upon the earlier of: (a) the execution and delivery of the Reinstatement and Amendment to Lease; (b) the termination of the Agreement in accordance with its terms; or (c) **June 1, 2026**, whichever first occurs; and

WHEREAS, the Board of Managing Members have determined it desirable for the Company to sell its Membership Interest pursuant to the terms and conditions of the Agreement (the "Transaction"); and

NOW, THEREFORE, BE IT:

RESOLVED, that the Company shall approve, consent, ratify, adopt and wholly agree to enter into the Agreement for the selling of the Membership Interest, including assigning its leasehold interest in the Property pursuant to terms and conditions of the Agreement; and it is further

RESOLVED, that the Company does hereby consent and wholly agrees to sell the Membership Interest to the Buyer pursuant to the terms and conditions of the Agreement; and it is further

RESOLVED, that the Company is hereby authorized and directed to enter into that certain Reinstatement and Amendment to Lease Agreement with the Government of the United States Virgin Islands, in the form attached hereto as Exhibit A

RESOLVED, that, solely as a pre-closing concession induced by the consideration and obligations set forth in the Agreement, and strictly limited to the purpose set forth herein, the Company hereby appoints **MR. STEVEN MILLER** ("Authorized Agent") as the Company's limited authorized agent for the single,

clusive, and non-delegable purpose of executing and delivering the Reinstatement and Amendment to Lease on behalf of the Company, in the form approved by the Managing Members and attached hereto as Exhibit A, and for absolutely no other purpose whatsoever; and it is further

RESOLVED, that the authority granted to the Authorized Agent is: (i) strictly limited to the execution and delivery of the Reinstatement and Amendment to Lease in the form approved by the Managing Members; (ii) non-delegable and personal to Mr. Steven Miller; (iii) not to be construed as a grant of any ownership interest, membership interest, management authority, voting rights, economic interest, or any other right or interest in the Company; and (iv) subject to immediate revocation by the Managing Members at any time prior to execution and delivery of the Reinstatement and Amendment to Lease; and it is further

RESOLVED, that upon the execution and delivery of the Reinstatement and Amendment to Lease, or upon termination of the Agreement, or upon **June 1, 2026**, whichever first occurs, the limited agency granted to the Authorized Agent shall terminate automatically and be of no further force or effect, and the Authorized Agent shall have no further right, claim, authority, obligation, or agency with respect to the Company, its assets, or its Membership Interest; and it is further

RESOLVED, that this appointment is made solely because the Company has been induced to do so by the covenants, obligations, and consideration in the Agreement, and the Company expressly reserves all rights and remedies it may have under the Agreement; and it is further

RESOLVED, that the Agreement is in the best interest of the Company, and the Company hereby ratifies and approves all past actions of the Company in furtherance of completing the transaction contemplated in the Agreement, including but not limited to executing all necessary instruments, certificates, lease assignments and other documents; and it is further

RESOLVED, that **STEPHEN EVANS-FREKE** and **TIM BARBER**, acting jointly, are the Board of Managing Members for the Company for the purpose of executing and delivering any and all certificates, assignments, affidavits, amendments, waivers, and any other documents necessary and proper for the consummation of the sale of the Membership Interest of the Company including the leasehold interest assignment of the Property pursuant to the Agreement, and to take all such other steps as may be necessary, required, or advisable in order to carry out the purpose of this Resolution and to fully consummate the sale of Membership Interest and leasehold assignment of the Property in accordance with the Agreement; and it is further

RESOLVED, that all documents executed by, and all actions taken by, the Board of Managing Members on behalf of the Company in connection with the Agreement and/or the leasehold assignment of the Property shall be binding and legal obligations of the Company and that the execution thereof shall be conclusive evidence that such Board of Managing Members deems the provision of such documents to be in the best interest of the Company.

Water Island Development Company, LLC

IT IS CERTIFIED, that the current Certificate of Good Standing, Articles of Organization, and Operating Agreement of the Company, including any amendments thereto, provided on or before the closing date of the Transaction, are true and accurate copies; and

IT IS FURTHER CERTIFIED, that said resolutions have not been in any way amended, annulled, rescinded or modified and that the same are in full force and effect on the date hereof; and

IT IS FURTHER RESOLVED, that this Joint Resolution may be executed in counterparts.

[Signature Pages Follow]

⁴


WITNESSES (two required):

Water Island Development Company, LLC's
CLASS B MANAGING MEMBER:

[Signature]
Witness #1 Signature:

[Signature]
TIM BARBER

Tiffany Slaughter
Witness #1 Printed Name

[Signature]
Witness #2 Signature:

Faith Enogieru
Witness #2 Printed Name

STATE OF Florida)

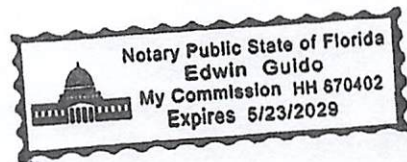
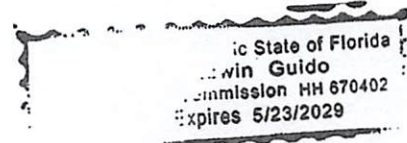
SS:

ACKNOWLEDGMENT
COUNTY OF Miami Dade)

On this 20th day of April 2026, before me the undersigned, personally appeared **TIM BARBER** known or proven to me to be the person whose name is subscribed to the within instrument and acknowledged under oath that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public
My Commission Expires: 5/23/2029
My Notary No.: HH 670402



**GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES**
-0-
CHARLOTTE AMALIE, ST. THOMAS, VI 00802

To Whom These Presents Shall Come:

I, the undersigned, LIEUTENANT GOVERNOR, do hereby certify that

WATER ISLAND DEVELOPMENT, LLC

a Virgin Islands limited liability company, filed in the Office of the Lieutenant Governor on **December 11, 2014** as provided for by law. Amended Articles of Organization acknowledged: changing its name to

WATER ISLAND DEVELOPMENT COMPANY, LLC

WHEREFORE the said Amendment is hereby declared to have been duly recorded in this office on the aforesaid and to be in full force and effect from that date.



Witness my hand and the seal of the Government of the United States Virgin Islands, at Charlotte Amalie, this 17th day of August A.D. 2017.

A handwritten signature in black ink, appearing to read "Osbert E. Potter".

OSBERT E. POTTER
Lieutenant Governor of the Virgin Islands

**ARTICLES OF AMENDMENT
OF
WATER ISLAND DEVELOPMENT, LLC**

The undersigned Sole Member of Water Island Development, LLC, a U.S. Virgin Islands, limited liability company, does hereby amend its Articles of Organization, as filed with the Office of the Lieutenant Governor on February 11, 2014, pursuant to V.I. CODE ANN. tit. 13, §1204, by substituting the following Article 1.1, in lieu of the existing Article 1.1:


**ARTICLE ONE
NAME, ADDRESS AND PRINCIPAL OFFICE
Name and Address**

1. The name of the limited liability company shall be **Water Island Development Company, LLC** (the "Company"). The mailing address of the Company shall be Post Office Box 6347, St. Thomas, US Virgin Islands 00804-6347. The physical address of the Company shall be One Hibiscus Alley, 5093 Dronningens, Ste. 1, St. Thomas, US Virgin Islands 00802.

2014 FEB 11 PM 3 35
2767164
\$150.00
Check # 1500E

IN WITNESS WHEREOF, the undersigned hereby certifies that the amendment set out above was duly adopted in accordance with the provisions of V.I. CODE ANN. tit. 13, §1204, accordingly, has set his hand and seal this 2 day of December, 2014.

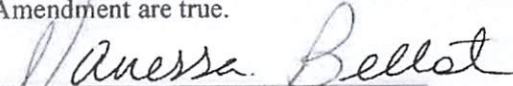
SOLE MEMBER:



STEPHEN EVANS-FREKE

BEFORE ME, the undersigned authority, on this 8th day of December, 2014, personally appeared Stephen Evans-Freke, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as the Sole Member of Water Island Development, LLC and that the statements contained in these Articles of Amendment are true.





Notary Public
My Commission Expires:

NOTARY PUBLIC
Name: *Vanessa G. Bellot*
My Commission Exp: May 19, 2016
NP Commission #: NP-42-12
St. Thomas/St. John, U.S.V.I District

**ARTICLES OF ORGANIZATION
OF
WATER ISLAND DEVELOPMENT, LLC**

I, the undersigned natural person of the age of eighteen years or more, acting as organizer of a limited liability company under the Uniform Limited Liability Company Act, Chapter 15, Title 13, Virgin Islands Code ("Uniform Limited Liability Company Act"), do hereby adopt the following Articles of Organization for such limited liability company:

**ARTICLE ONE
NAME, ADDRESS AND PRINCIPAL OFFICE**

Name and Address

1. The name of the limited liability company shall be Water Island Development, LLC (the "Company"). The mailing address of the Company shall be Post Office Box 6347, St. Thomas, US Virgin Islands 00804-6347. The physical address of the Company shall be One Hibiscus Alley, 5093 Dronningens, Ste. 1, St. Thomas, US Virgin Islands 00802.

Principal Office

2. The Principal office and permanent address of the transaction of business of the Company shall be the address stated in Paragraph 1 of these Articles as the physical address of the Company.

Initial Agent for Service of Process and Registered Office

3. The mailing address of the Company's initial registered office is Post Office Box 6347, St. Thomas, US Virgin Islands 00804-6347.

The physical address of the Company's registered office is One Hibiscus Alley, 5093 Dronningens Gade, Ste. 1, St. Thomas, US Virgin Islands 00802.

The name of its initial agent for service of process at such address is Marjorie Rawls Roberts, P.C.

The business address of the initial agent for service of process and the address of the registered office are identical.

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Receipt # 492092*

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ARTICLE TWO
PURPOSE

The purpose for which the Company is organized is to engage in any and all lawful business for which a limited liability company may be organized under the Uniform Limited Liability Company Act and the other laws of the US Virgin Islands.

ARTICLE THREE
DURATION AND CONTINUITY

The period of duration of this company shall be perpetual. No member or manager shall have the power to dissolve the Company by his or her independent act of any kind.

ARTICLE FOUR
ORGANIZER

The name and address of the organizer of this company is:

Marjorie Rawls Roberts

Mailing Address: Post Office Box 6347, St. Thomas, US Virgin Islands 00804-6347

Physical Address: One Hibiscus Alley, 5093 Dronningens Gade, Ste. 1, St. Thomas, US Virgin Islands 00802

ARTICLE FIVE
MANAGEMENT

The Company shall be member-managed.

ARTICLE SIX
CAPITAL

The Company shall begin business with capital in the amount of One Thousand United States Dollars (US \$1,000.00).

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ARTICLE SEVEN
LIMITATION OF LIABILITY

No manager of the Company shall be liable to the Company or its members for monetary damages for an act or omission in such manager's capacity as a manager, except for liability of a manager for (i) a breach of a manager's duty of loyalty to the Company or its members, (ii) an act or omission not in good faith that constitutes a breach of duty of a manager to the Company or an act or omission that involves intentional misconduct or a knowing violation of the law, (iii) a transaction from which a manager received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the manager's position, or (iv) an act or omission for which the liability of a manager is expressly provided for by an applicable statute. If the Uniform Limited Liability Company Act or other applicable law is amended to authorize action further eliminating or limiting the liability of managers, then the liability of any manager of the Company shall be eliminated or limited to the fullest extent permitted by the Uniform Limited Liability Company Act or other applicable law, as so amended.

Any repeal or modifications of the foregoing paragraph by the members shall not adversely affect any rights or protection of any manager existing at the time of such repeal or modification.

ARTICLE EIGHT
MEMBER LIABILITY


No member of the Company shall be liable for the debts and obligations of the Company under Section 1303, Subsection (c) of the uniform Limited Liability Company Act.

ARTICLE NINE
SEVERABILITY

If any phrase, clause, sentence, paragraph, or provision of these Articles of Organization is held to be void or illegal, then it shall not impair or affect the balance of these Articles, and the undersigned Organizer of the Company does hereby declare that she would have signed and executed the balance of these Articles without such void or illegal provision.

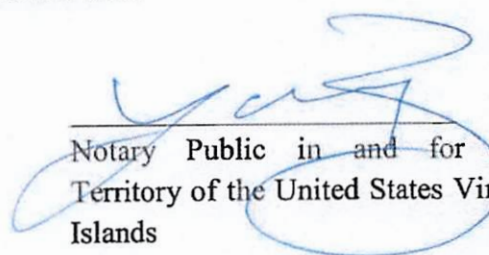
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IN WITNESS WHEREOF, the undersigned person has hereunto set her hand as Organizer of the Company this the 11th day of February, 2014.


Marjorie Rawls Roberts

IN THE TERRITORY OF THE UNITED STATES VIRGIN ISLANDS)
UNITED STATES OF AMERICA)

BEFORE ME, the undersigned authority, on this 11th day of February, 2014, personally appeared Marjorie Rawls Roberts who, being by me first duly sworn, declared that she is the person who signed the foregoing document as the Organizer of the Company and that the statement contained in these Articles of Organization are true.


Notary Public in and for the
Territory of the United States Virgin
Islands

Laura Lee Berry
NP-084-11
Commission Expires:
September 21, 2015

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Official Records of
ST THOMAS/ST JOHN
ERICA DOVER, M.P.A.
RECORDER OF DEEDS
Fees \$0.00

LEASE AGREEMENT

GOVERNMENT OF THE U.S. VIRGIN ISLANDS
DEPARTMENT OF PROPERTY AND PROCUREMENT

And

WATER ISLAND DEVELOPMENT COMPANY, LLC

PREMISES: Portions of Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, U.S. Virgin Islands

Doc# 2014009676

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

LEASE AGREEMENT

THIS LEASE made this ____ day of _____, 2014 (the "Lease Date") by and between the **GOVERNMENT OF THE U.S. VIRGIN ISLANDS**, acting through its Commissioner of Property and Procurement, hereinafter "Lessor" and **WATER ISLAND DEVELOPMENT COMPANY, LLC** whose mailing address is 6501 Red Hook Plaza, Suite 201 St. Thomas, Virgin Islands 00802, hereinafter "Lessee."

WITNESSETH:

WHEREAS, the United States of America, through the Department of the Interior Office of Insular Affairs and the Lessor, as buyer therein, executed a Contract For Sale of Real Property (hereinafter "Contract of Sale") on September 12, 1996 for parcels of land located on Water Island including but not limited to the land (the "Premises") described in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the Premises was designated as a hotel site because it was the location of the former hotel and associated properties on Tract B (excluding the villas, lots 48 through 60, and lots 24 and 25), including the catchment basin and deep water dock; the beach and associated lands on Tract C; and the public ferry dock and associated lands on Tract E as marked on a copy of the 1979 map of the Bureau of Land Management. All public roads on Water Island, excluding those on the Sprat Bay properties are included; and

WHEREAS, pursuant to section 2 of the Contract of Sale, the Lessor agrees to use the Premises for public purposes only, and to promote the economic development of Water Island for the benefit of the U.S. Virgin Islands, including the residents of Water Island; and

WHEREAS, pursuant to section 2B of the Contract of Sale, the United States government, through its Interior Office of Insular Affairs, agreed to expend up to \$3.325 million for demolition and clean-up of the former hotel facilities, removal of hazardous materials, including catchment basin remediation, and repair of the deep water dock. Pursuant to the same clause, the Lessor agreed to repair the ferry dock, remove storm debris, and remove debris resulting from the demolition and clean-up of the hotel facilities. All of the foregoing has been accomplished in compliance with said section 2B: and

WHEREAS, pursuant to section 6 of the Contract of Sale, the Lessor agreed to comply with use restrictions on the Premises as stated in Exhibit 2 attached to the Contract of Sale (the "Restrictive Covenant"). The Restrictive Covenant includes in pertinent part, the portion of Tract B previously developed as a hotel may be redeveloped

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres. and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

for a hotel or tourist resort; the reference to Tract B excludes the villas and other privately owned lots 48-60; Tract B nondeveloped portions; and Tract C, including Honeymoon Beach. The Restrictive Covenant include additional restrictions, such as setback from beachfront vegetation, in addition to outdoor lighting restriction, to minimize impacts to sea turtles should additional development take place; and

WHEREAS, pursuant to section 3 of the Contract of Sale, the Interior, Office of Insular Affairs conveyed the Premises to the Lessor by Quitclaim Deed dated March 29, 2005, a copy of which is attached hereto and incorporated herein by reference as Exhibit B, and which includes as an exhibit thereto the Restrictive Covenant; and

WHEREAS, the Restrictive Covenant includes the same restrictions as are attached to the Contract of Sale; and

WHEREAS, the Lessor desires to construct a hotel and marina as well as other associated amenities as more particularly described herein on the Premises pursuant to the conditions of the Contract of Sale, Quitclaim Deed and the Restrictive Covenant; and

WHEREAS, on September 19, 2013, the Lessor and Revpar International issued an Expression of Interest (“EOI”) pursuant to which suitably qualified firms were invited to submit proposals for the construction of a resort development on the Premises; and

WHEREAS, in RFP012-2014(P), Lessee was the successful bidder to construct a resort development and other related and ancillary facilities on the Premises; and

WHEREAS, because Lessee will construct a resort development and other associated amenities as more particularly described herein on the Premises, Lessor desires to lease the Premises to Lessee. In consideration of the mutual covenants and agreements herein set forth it is hereby agreed:

ARTICLE 1

PREMISES AND USE

1.01 Premises. The Lessor hereby leases to the Lessee and the Lessee hires and takes from the Lessor the Premises. A map of the Premises is attached hereto and incorporated herein by reference as Exhibit C.

1.02 Use. The Lessee shall use the Premises to construct and develop the Hotel and Marina to include a deep water dock, hotel and other overnight lodging accommodations, marina, infrastructure improvements necessary to operate the hotel, a full service health spa, social center and other related hotel and marina related facilities, as further detailed in Section 4.01 below, and for no other material purpose whatsoever. The Water Island Hotel and Marina is further described in Water Island Development

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

Company LLC response to RFP012-2014(P), entitled Water Island Expression of Interest dated November 30, 2013, which is attached hereto and incorporated herein by reference as Exhibit D.

ARTICLE 2

TERM

2.01 Term. The initial term of this Lease shall be for a period of ninety-nine (99) years (the "Term") commencing on the first day of the month following satisfaction of the following conditions precedent:

(a) approval by the Governor and the Legislature of the Virgin Islands of this Lease,

(b) approval by the United States Department of the Interior of the sale to Lessee or its designee of the "Residential Land" defined in Section 4.09, below

(the "Effective Date"). In the event that condition (a) has been satisfied but condition (b) above remains unsatisfied as of the date which is two (2) calendar years following the date hereof, the Lessee may, at its election, terminate this Lease, whereupon neither Lessor nor Lessee shall have further obligation to the other, except as expressly set forth herein. If Lessee does not terminate the Lease at this time but another two (2) years pass without condition (b) being satisfied, within thirty (30) days of such date, Lessee may waive, in writing condition (b) and notify Lessor that it has elected to proceed under this Lease, whereupon the Effective Date shall be the first day of the month following such notice, failing which, the Lease will terminate without further obligations by either Party.

2.02 Holding Over. If Lessee remains in possession after expiration of the Term with Lessor's express consent, Lessee shall become a month to month tenant and there shall be no renewal of this Lease by operation of law. During the period of any such holding over, all provisions of this Lease shall be and remain in effect. Notwithstanding the foregoing, Lessee shall pay to Lessor a sum equal to 200% of the Base Rent in Section 3.01, payable in monthly installments, in lieu of the Base Rent set forth in Section 3.01 in the event Lessee remains in possession after expiration of the Term without Lessor's express consent and without any distinct agreement between Lessor and Lessee.

2.03 Quiet Enjoyment. Upon payment by Lessee of the Rent and other amounts due under this Lease and the Lessee's construction of the hotel and marina in conformity with designs, specifications and plans, permits and licenses, and maintenance in accordance therewith, normal wear and tear excepted, Lessor warrants and covenants that Lessee shall peaceably and quietly hold and enjoy the Premises for the Term without hindrance or interruption by Lessor or any other person or persons lawfully or equitably

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

claiming by, through or under Lessor; subject, nevertheless, to the terms and conditions of this Lease.

ARTICLE 3

RENT

3.01 Base Rent. Upon expiration of the Construction Rent Period (as defined in Section 3.02 below), Lessee shall pay to Lessor an annual base rent (the "Base Rent") of FIFTY-TWO THOUSAND EIGHT HUNDRED and No/100 Dollars (\$52,800.00) payable in equal monthly installments of FOUR THOUSAND FOUR HUNDRED and No/100 Dollars (\$4,400.00) each. Payment of Base Rent shall be made in equal monthly installments in advance on the first day of each and every month during the Term, without any previous demand by Lessor, provided however, if possession of the Premises is granted to the Lessee at a date after the first of the month then in such event the Base Rent for such first month shall be prorated. The Base Rent shall be paid at Lessor's office at Building No. 1 Sub Base, St. Thomas, Virgin Islands 00802, together with any other sum due as additional rent as provided herein.

3.02 Reduction in Base Rent. During the Construction Rent Period, Lessee shall pay base rent (the "Construction Base Rent") in an amount equal to One Thousand and No/100 Dollars (\$1,000.00) per month. The Construction Period Base Rent shall remain in effect through the expiration of the Construction Rent Period, but upon expiration of the Construction Rent Period, Lessee shall be obligated to pay Base Rent in the amount provided in Section 3.01 above. As used herein, the "Construction Rent Period" commences on the Effective Date and expires upon the earlier to occur of (i) completion of the Improvements described on Section 4.01(ii-iii) below as evidenced by the issuance of all required occupancy and use permits for such portion of the Improvements or (ii) December 31, 2024 (in either case, the "Completion Date").

3.03 Late Payment Charges. Lessee acknowledges that late payment by Lessee to Lessor of rent and other charges provided for under this Lease will cause Lessor to incur costs not contemplated by this Lease, such as processing and accounting charges, the exact amount of which cannot be readily determined. Therefore, if any installment of Base Rent or any other charge due from Lessee is not received by Lessor within ten (10) days after the date due, Lessee shall pay, as a late charge, to Lessor an amount equal to five percent (5%) of the delinquent monthly Base Rent payment or other delinquent charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Lessor will incur by reason of the late payment by Lessee.

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor.

3.04 Unpaid Rent, Fees and Charges. Any additional rent, attorneys' fees, or other charges or money payable by Lessee to Lessor under this Lease that is not Construction Period Base Rent or Base Rent that is not received by Lessor by the tenth (10th) day after the day when payment is due shall bear interest at the rate of five percent (5%) per annum (the "Default Rate") from the date when the same was due according to the terms of this Lease until paid by Lessee.

ARTICLE 4

IMPROVEMENTS

4.01 Improvements. As a part of the consideration for this Lease, Lessee shall construct on the Premises, at Lessee's own cost and expense, certain improvements anticipated to include the items listed below (collectively referred to herein as the "Water Island Hotel and Marina" or "Improvements"). Lessee shall have no obligation to build any of the Improvements which are not financially feasible, in Lessee's sole discretion, or for which permits and approvals cannot be obtained. It is estimated that the cost of the completed Improvements will be approximately **\$140,000,000.00**. The initial development of the Improvements will include, at a minimum, eighty (80) hotel rooms. The Improvements will include:

- (i) Deep water dock;
- (ii) Hotel and other overnight lodging accommodations;
- (iii) Marina;
- (iv) Infrastructure improvements necessary to operate the hotel and marina;
- (v) Such retail and commercial improvements as may be desired by Lessee and which are complementary to the hotel and marina facilities. Such improvements may include, but shall not be limited to, a full service health spa, a social center and other hotel- and marina-related facilities; and
- (vi) Ferry service between the Premises and St. Thomas.

4.02 Financing Contingency. Lessee's obligation to proceed under this Lease is contingent on its ability to obtain financing from available public and private sources, together with private equity which, in the aggregate, are deemed sufficient by Lessee to pay for all pre-development, development, soft and hard construction costs, including contingency line items, fixturing, equipping and all other costs to complete the

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

Improvements. Such financing shall be obtained with binding commitments therefor (which may include reasonable and customary conditions) by no later than 24 months after the Effective Date, failing which the Parties shall negotiate an extension in good faith taking into consideration the overall financial environment at that time and Lessee's reasonable expectations as to the amount of time required to complete financing. If the Parties are unable to reach an agreement on an extension, after ninety (90) days, either Party may terminate this Lease by written notice to the other Party. Lessee agrees to use reasonable diligence in pursuing such commitments for the financing and equity investments necessary to complete the Improvements, and upon obtaining same, will provide proof thereof to Lessor.

4.03 Contingency for Permits and Approvals. Lessee's obligation to proceed under this Lease is contingent on its ability to obtain all permits, approvals and authorizations required for the completion of the Improvements, including but not limited to all required building and construction permits from the USVI, the Army Corps of Engineers, the United States Coast Guard, any applicable environmental resource department, transit department, and similar governmental authorities. Such permits, or in the alternative, letters indicating that, but for the payment of applicable permit and impact fees, such permits may be issued, shall be obtained by no later than 24 months after the Effective Date, failing which Lessee may terminate this Lease by written notice to Lessor delivered not less than thirty (30) days following the date on which Lessee has determined that it is unable to obtain the requisite permits and approvals. If it is shown that Lessee was not diligent in seeking the requisite permits and approvals within the time allowed, the Lessor may terminate this Lease by written notice to Lessee delivered not less than thirty (30) days following the expiration of the time allowed. Notwithstanding the foregoing, the Parties shall first attempt in good faith to reach an agreement on an extension of time within which to obtain the necessary permits and approvals before terminating the Lease. Lessee agrees to use reasonable diligence in pursuing such permits, and upon obtaining same, will provide proof thereof to Lessor.

4.04 Construction Schedule. Upon obtaining all permits and closing on the construction financing for any portion of the Improvements, such portion of the Improvements must be completed within sixty (60) months.

4.05 Title to Improvements. Subject to the rights of the Leasehold Mortgagees (as defined in Section 9.03 of this Lease), ownership of the Improvements shall be and remain with Lessee until the expiration or earlier termination of the Term and Lessee shall be deemed to exclusively own the Improvements for federal tax purposes. Lessee alone shall be entitled to all of the tax attributes of ownership thereof, including, without limitation, the right to claim depreciation or cost recovery deductions, and Lessee shall have the right to amortize capital costs and to claim any other federal tax benefits attributable to the Improvements. Upon expiration or earlier termination of the Term, title to all Improvements shall revert to Lessor.

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

4.06 Location of Improvements; Road Relocation. All of the Improvements to be made by the Lessee shall be located on the Premises, except to the extent certain infrastructure elements may be in easement areas pursuant to Section 7.02, below. Upon the Lessor's written approval and consent, Lessee shall have the right, at Lessee's sole expense to reroute any publicly-dedicated road to accommodate the location of the Improvements, provided that such location results in the road remaining within publicly-owned land and does not cause any adjoining landowner's property to be condemned on account thereof, or to become out of compliance with any zoning, setback or land use laws, rules or regulations.

4.07 Real Property Tax: Upon the completion of the Improvements constructed on the Premises, Lessee shall notify Lessor who shall notify the Tax Assessor for the purpose of making an assessment of the value of the Improvements. Lessee hereby agrees to pay any and all taxes, assessments, and other charges of any description levied or assessed during the term of this Lease by the Office of the Lieutenant Governor, Tax Assessor on or against any Improvements constructed by Lessee or other equipment or fixtures installed by Lessee. Notwithstanding the foregoing, Lessee may be exempted from property tax liability on or against any Improvements if approved for economic incentives providing for such exemption.

4.08 Excavation and Sorting. If any excavation shall be made by Lessee or contemplated to be made by Lessee for building or other purposes upon property or streets adjacent to or nearby the Premises, Lessee either:

(a) shall afford to the person or persons causing or authorized to cause such excavation the right to enter upon the Premises for the purpose of doing such work as such person or persons shall consider to be necessary to preserve any of the walls or structures of the Improvements on the Premises from injury or damage and support the same by proper foundation, or

(b) shall, at the expense of the person or persons causing or authorized to cause such excavation, do or cause to be done all such work as may be necessary to preserve any of the walls or structures of the Improvements on the Premises from injury or damages and to support the same by proper foundations.

Lessee shall not by reason of any such excavation or work, have any claim against Lessor for damages or indemnity or for suspension, diminution, abatement or reduction of rent under this Lease.

4.09 Contingency on Purchase and Sale of Additional Land. It is acknowledged that there is additional real property on Water Island owned by Lessor that is suitable for residential development, which property is more particularly described in the Letter of Intent attached hereto as Exhibit F and made a part hereof (the "Residential Land"). This Lease and the Lessee's obligations thereunder are contingent on approval to be obtained from the United States Department of the Interior, of the sale of the

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Residential Land to Lessee or its designee. Lessor will use its best efforts to obtain such approval from the United States Department of the Interior in a timely manner. As provided in Section 2.01 above, if such approval is not obtained within two (2) years following the Lease Date, Lessee shall have the right to terminate this Lease.

ARTICLE 5

MECHANIC'S LIEN

5.01 Mechanic's Lien. Nothing contained in this Lease shall be deemed, construed or interpreted to imply any consent or agreement on the part of Lessor to subject Lessor's interest or estate to any liability under any mechanic's lien. Should any notice of intention to file a lien under Title 28, Chapter 12 of the Virgin Islands Code or any mechanics or other lien be filed against the property of the Lessor, for any work, labor, services or materials performed at or furnished to the Premises for or on behalf of the Lessee or anyone holding any part of Lessee's leasehold estate in the Premises through or under Lessee, Lessee shall promptly advise Lessor in writing of said notice and cause the same to be canceled and discharged of record by payment, bond or order of a court of competent jurisdiction within thirty (30) days of receipt of said notice. If Lessee fails to so discharge said lien, then the Lessee shall forthwith reimburse the Lessor the total out-of-pocket expenses incurred by the Lessor in discharging the said lien, as additional rent hereunder.

ARTICLE 6

INSURANCE AND INDEMNITY

6.01 Evidence of Insurance.

(a) Lessee shall, prior to commencement of work on the Premises and on or before June 1st of each year following such date (the "Insurance Date"), provide Lessor with two copies of evidence of insurance as provided in Exhibit E attached hereto, documenting that insurance coverages for the Premises are in compliance with the specifications for insurance coverage set forth in Exhibit E. Such evidence of insurance shall be in compliance with section 3 of Exhibit E, Evidence of Compliance with Insurance Requirements Insurance Date, or section 4 of Exhibit E, Evidence of Renewal or Replacement Policies, as applicable. Lessee must produce written evidence that subcontractors have proof of insurance similar to that of Lessee, or Lessee's policies of insurance must cover the subcontractors.

(b) Lessee's liability under this Lease is not limited to the amount of insurance coverage required herein.

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(c) Lessor shall have the right, at times deemed appropriate to Lessor during the Term, to request Lessee to modify the insurance minimum limits specified in Exhibit E in order to maintain reasonable coverage amounts consistent with then-current industry standards and to the extent such limits are commercially available. Lessee shall make all commercially reasonable efforts to comply with any such request.

(d) For any insurance required under Exhibit E, Lessee shall be responsible for all deductibles, retentions, coinsurance, and the difference between any sublimits and the limits set out in Exhibit E.

6.02 Fire and Extended Coverage by Lessee. Lessee shall keep all buildings on the Premises insured against loss or damage by fire with the usual extended coverage endorsements, in amounts not less than eighty percent (80%) of the full insurable value thereof, above foundation walls. A copy of all insurance policies shall be delivered to Lessor within twenty (20) days after completion of construction of the Improvements.

6.03 Indemnity. Lessee agrees to indemnify and save Lessor harmless from and against any and all claims and demands for or in connection with, any accident, injury or damage whatsoever (collectively, "Claims") caused to any person or property arising, directly or indirectly, out of the business conducted on the Premises or occurring in, on or about the Premises or any adjacent area under the exclusive control of the Lessee or arising directly or indirectly, from any act or omission of Lessee or its agents, employees, or contractors, and from and against any and all costs, expenses and liabilities incurred in connection with any such Claim or proceeding brought thereon, except to the extent any of the foregoing results from the negligence or willful misconduct of Lessor or its agents, contractors or employees. Lessor agrees to indemnify and save Lessee harmless from and against any and all claims and demands for or in connection with, any accident, injury or damage whatsoever (collectively, "Claims") caused to any person or property arising, directly or indirectly, out of any conditions of the Property existing on the Effective Date hereof unless the Lessee was made specifically aware, in writing, of any specific conditions pertaining to the Property which might give rise to any such Claims, except to the extent any of the foregoing results from the negligence or willful misconduct of Lessee or its agents, contractors or employees.

6.04 Non-Liability. To the extent permitted by law, Lessor shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by the acts or omissions of persons occupying any property adjacent to or adjoining the Premises, or any part thereof, or for any loss or damage resulting to Lessee or its Premises from water, gas, steam, fire or the bursting, stoppage, or leaking of pipes, provided such loss or damage is not occasioned by the negligence or willful misconduct of Lessor or its agents, contractors, or employees and to the extent permitted by law.

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ARTICLE 7

ENTRY BY LESSOR; EASEMENTS OVER LESSOR'S REMAINING PROPERTY

7.01 Access to Premises. Lessor or Lessor's agents shall have the right to enter upon the Premises at all reasonable times upon reasonable advance notice to Lessee, to ensure compliance with the provisions of this Lease.

7.02 Easement for Facilities and Utility and Other Services. Lessor shall grant to Lessee any necessary easements for the installation, use, maintenance and repair of water pipes, water storage tank facility, cables and wires, solar panels, power facility, or other utility and infrastructure equipment in, on or through Lessor's remaining property located on Water Island (the "Remaining Property"), as and to the extent that Lessee may or hereafter deem to be necessary or appropriate in order to provide water, waste disposal, power, communications or other similar services to the Improvements; provided, however, that such easements shall be located in a manner so as to cause the least possible adverse impact on the Remaining Property. To the extent any of the roads, sidewalks or paths on the Remaining Property are not public rights of way, Lessor shall provide such easements as are necessary to ensure ingress and egress to and from any of the Improvements or the facilities and equipment described in this Section.

ARTICLE 8

CONDEMNATION

8.01 Notice of Condemnation. The party receiving any notice of the kind specified below which involves the Premises shall promptly give the other party notice of the receipt, contents, and date of the notice received, which shall include:

- (a) Notice of Intent of Taking.
- (b) Service of any legal process relating to condemnation of the Premises or the Improvements.
- (c) Notice in connection with any proceedings or negotiations with respect to such a condemnation.

8.02 Rights of Lessor and Lessee. Lessor and Lessee shall each have the right to represent its respective interest in each proceeding or negotiation with respect to a taking or intended taking and to make full proof of its claims. No agreement, settlement, sale or transfer to or with the condemning authority shall be made without the consent of both parties. Lessor and Lessee each agree to execute and deliver to the other any

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instrument that may be required by the provisions of this Lease relating to the condemnation.

8.03 Taking of Leasehold. Upon a total taking, Lessee's obligation to pay Base Rent, additional rent and other charges hereunder shall terminate on the date of taking, or possession given, whichever is earlier, but Lessee's interest in the leasehold shall continue until the taking is completed by deed, contract or final order of condemnation, at which time this Lease and all of Lessor's and Lessee's obligations hereunder shall terminate.

8.04 Total Taking. If this Lease is terminated as a result of a total taking, each party hereto shall be entitled to prosecute claims in such condemnation proceedings for the value of its respective interest in the Premises, as applicable, or any portion or interest therein.

8.05 Partial Taking. Upon partial taking, all sums including damages and interest awarded for the fee, leasehold or both shall be distributed and disbursed to Lessor and Lessee as they may agree or, in the absence thereof, in accordance with the laws of the U.S. Virgin Islands. Upon partial taking Lessee shall have the option of terminating this Lease upon thirty (30) days notice to Lessor.

ARTICLE 9

DEFAULT, CANCELLATION, AND TERMINATION

9.01 Lessee Default. Lessee shall be in default under this Lease, and this Lease shall be subject to cancellation by Lessor following all applicable notice and cure periods, in the event Lessee shall:

(a) Be in arrears in the payment of the whole or any part of the amount agreed upon hereunder (including the payment of Base Rent) for a period of ninety (90) days after the due date under the Lease.

(b) File in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of Lessee's property.

(c) Make any general assignment for the benefit of creditors.

(d) Abandon the construction or operation of the Premises, which abandonment shall be deemed to have occurred only after all or substantially all of Lessee's or its construction contractor's or operator's personnel have failed to be present on the Premises for more than one hundred eighty (180) consecutive days, and where such failure is not the result of any force majeure event, as described in Section 10.02 below.

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(e) Default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Lessee, and such default continues for a period of one hundred eighty (180) days after receipt of written notice from Lessor to cure such default, unless during such one hundred eighty (180) day period, Lessee shall commence and thereafter diligently perform such action as may be reasonably necessary to cure such default. If default by Lessee in the performance of its obligations hereunder is precipitated in whole or in part by activities for which Lessor is solely responsible, the period herein established to commence a cure for the said default will be extended for a reasonable period to account for the effect of Lessor's activities.

(f) Be adjudged a bankrupt in involuntary bankruptcy proceedings.

(g) Be made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Lessee where such receivership is not vacated within ninety (90) days after the appointment of such receiver.

(h) Failure to pay the outstanding assessed real property taxes for two (2) years, unless otherwise exempted.

(i) Failure to complete construction of Improvements constructed upon the Premises within sixty (60) months from obtaining all permits and closing on the construction financing for any portion of the Improvements as set forth in Sections 4.02, 4.03, and 4.04 herein.

(j) Failure to obtain required insurance as stated herein.

Failure of Lessor to exercise any remedy upon the default of Lessee for any of the reasons set out above shall not operate to bar or destroy the right of Lessor to cancel this Lease by reason of any subsequent violation by Lessee under this Lease. Notwithstanding the foregoing, the provisions of this Section 9.01 are subject to the rights of the Leasehold Mortgagees under Section 9.03 below.

9.02 Lessor Default. Lessor shall be in default under the Lease, and this Lease shall be subject to cancellation by Lessee, in the event Lessor shall:

(a) File in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of Lessor's property.

(b) Make any general assignment for the benefit of creditors.

(c) Default in the performance of any of the covenants and conditions required herein relating in any way to Lessor's providing occupancy or maintenance of the Premises to be kept and performed by Lessor in accordance with this Lease, and such default continues for a period of ninety (90) days after receipt of written notice from Lessee to cure such default, unless during such ninety (90) day period, Lessor shall commence and thereafter diligently perform such action as may be reasonably necessary

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to cure such default. If default by Lessor in the performance of its obligations hereunder is precipitated in whole or in part by activities for which Lessee is solely responsible, the period herein established to commence a cure for the said default will be extended for a reasonable period to account for the effect of Lessee's activities.

(d) Be adjudged a bankrupt in involuntary bankruptcy proceedings.

(e) Be made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Lessor where such receivership is not vacated within ninety (90) days after the appointment of such receiver.

Failure of Lessee to exercise any remedy upon the default of Lessor for any of the reasons set out above shall not operate to bar or destroy the right of Lessee to cancel this Lease by reason of any subsequent violation by Lessor under this Lease.

9.03 Termination. This Lease shall terminate at the expiration of the Term.

9.04 Repossessing and Reletting. Subject to the provisions of Article 10 below, in the event of default by Lessee hereunder which shall remain uncured after the required notices have been given pursuant to this Lease, and for such time as provided herein, Lessor may at once thereafter, or at any time subsequent during the existence of such default:

(a) Enter into and upon the Premises or any part thereon and repossess the same, expelling therefrom Lessee and all personal property of Lessee (which property may be removed and stored at the cost of and for the account of Lessee), to the extent permitted by law; or

(b) Either cancel this Lease by notice or without canceling this Lease, relet the Premises or any part thereof upon such terms and conditions as shall appear advisable to Lessor. If Lessor shall proceed to relet the Premises during any month or part thereof, at less than the rent due and owing from Lessee during such month or part thereof under the terms of this Lease, Lessee shall pay such deficiency to Lessor upon calculation thereof, providing Lessor has exercised good faith in the terms and conditions of reletting. Payment of any such deficiencies shall be made monthly within forty-five (45) days after receipt of deficiency notice.

If any suit or action is brought by Lessor against Lessee to enforce any of the provisions hereof, the Lessor, if successful on the merits, shall be entitled to collect reasonable attorneys' fees and expenses in the action or proceeding.

9.05 Assignment and Transfer: Lessee shall not assign or transfer this Lease or any interest therein, without the prior written consent of Lessor which shall not be unreasonably withheld. Any consent of any assignment shall not be deemed consent to any subsequent assignment.

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9.06 Subleasing. Lessee may not sublet the Premises in whole or in part without Lessor's advance written consent, which consent shall not be unreasonably withheld. Lessor's consent must be received within fourteen (14) days from receipt of Lessee's request, otherwise the sublease is deemed to be approved, except that no approval is necessary for subleases to related entities of Lessee. Lessor's consent does not release Lessee from any of its obligations under this Lease. In the event that Lessor consents to subleasing of the Premises or any part thereof, the Lessee shall pay to the Lessor an additional amount of 5% of the sublease amount received monthly per sublease, not to exceed \$6,000 per year per sublease, for subleasing income as additional rent, in lieu of the surcharge in Act 6634. Additional rent is defined as rent which exceeds the Initial Base Rent or the Reduction in Initial Base Rent as described in sections 3.01 and 3.02 respectively. This additional rent shall be due and payable on the next rent day after such subletting rent becomes due from the subtenant.

9.07 Cumulative Remedies. Notwithstanding anything to the contrary herein, each right or remedy of Lessee under this Lease shall be cumulative of and shall be in addition to every other right or remedy provided by law, and the exercise, or the beginning of the exercise, by Lessee of any one or more of the rights or remedies provided for by law shall not preclude the simultaneous or later exercise by Lessee of any or all other rights or remedies provided for herein.

ARTICLE 10

**MORTGAGES, LIENS AND ENCUMBRANCES;
ASSIGNMENT AND SUBLETTING**

10.01 Leasehold Mortgages; Assignment and Sublet:

(a) Lessee shall have the right, from time to time and at any time, in whole or in part, subject to the prior consent of Lessor, which consent shall not be unreasonably withheld or delayed, to hypothecate, mortgage, pledge or alienate Lessee's leasehold interest in the Premises and/or the rights granted to Lessee under this Lease (a "Leasehold Mortgage"). Lessee shall provide fifteen (15) days notice to Lessor prior to the closing of any loan or other transaction in connection with which such interest is given, identifying the name and address of the party obtaining an interest in Lessee's leasehold (the "Leasehold Mortgagee"). In no event whatsoever shall Lessee have the right to encumber Lessor's fee simple interest in the Premises.

(b) For the benefit of the holder of any Leasehold Mortgage who shall have become entitled to notice as hereinafter provided in this Section 10.01, the Lessor agrees not to accept a voluntary surrender of this Lease at any time while such Leasehold Mortgage shall remain an encumbrance on the leasehold estate; and the Lessor and Lessee further agree for the benefit of any such Leasehold Mortgagee that, so long as any such Leasehold Mortgage shall remain an encumbrance on the leasehold estate, without the prior written consent of such Leasehold Mortgagee, the Lessor and Lessee will not

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subordinate this Lease to any mortgage which may hereafter be placed on the fee of the Premises or amend or alter any terms or provisions of this Lease or consent to any prepayment of any Annual Rent.

(c) If any Leasehold Mortgagee shall have given to the Lessor a notice specifying the name and address of such Leasehold Mortgagee, the Lessor shall send by personal delivery or by certified or registered mail or overnight courier service to such Leasehold Mortgagee a copy of each notice of default at the same time as and whenever any such notice of default shall thereafter be given by the Lessor to Lessee, addressed to such Leasehold Mortgagee at the address last furnished to the Lessor. No notice of default by the Lessor shall be deemed to have been given unless and until a copy thereof shall have been so given to such Leasehold Mortgagee. Lessee irrevocably directs that the Lessor accept, and the Lessor agrees to accept, performance and compliance by any such Leasehold Mortgagee of and with any term, covenant or condition on Lessee's part to be kept, observed or performed under this Lease with the same force and effect as though kept, observed or performed by Lessee. Such Leasehold Mortgagee shall have, and be subrogated to, any and all rights of Lessee with respect to the curing of any such default, and shall also have the right to extend the period of time for curing of any such default for an additional period of sixty (60) days from the date contained in the notice of default, or in the case of a default which cannot be cured within said sixty (60) day period, for such additional period as, with all due diligence and in good faith, is necessary to cure the default.

(d) In case of the termination of this Lease by reason of the happening of an Event of Default, the Lessor shall give notice thereof to any Leasehold Mortgagee who shall have notified the Lessee of its name and address pursuant to Section 10.01 (f), which notice shall be sent by personal delivery or by registered or certified mail or overnight courier service to such Leasehold Mortgagee at the address last furnished to the Lessor pursuant to Section 10.01 (f). If, within ninety (90) days after the mailing of such notice, such Leasehold Mortgagee shall notify the Lessor that such Leasehold Mortgagee desires to enter into a lease of the Premises with the Lessor, the Lessor shall join with the Leasehold Mortgagee, or its nominee, in executing and delivering a new lease of the Premises to such Leasehold Mortgagee, or its nominee, for the remainder of the Term, at the Annual Rent and upon the terms, covenants and conditions contained in this Lease.

(e) The Lessor agrees to execute such further certificates, consents, subordination, non-disturbance and attornment agreements, estoppel certificates and other documents as may reasonably be required by a Leasehold Mortgagee or subtenant, provided that the Lessor is not required to pay money or incur expenses thereby, the documents are consistent with the terms of this Lease, and the Lessor's property rights are not adversely affected thereby.

(f) In every case where the Leasehold Mortgagee elects to acquire possession of the Premises or to foreclose the Leasehold Mortgage, prior to the acquiring

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of possession or the foreclosing of the Leasehold Mortgage, the Leasehold Mortgagee shall give the Lessor (i) a right of first refusal to acquire the Improvements and assume Lessee's obligations under the Leasehold Mortgage or (ii) the right to provide a purchaser reasonably satisfactory to the Leasehold Mortgagee for the purchase of Lessee's interest in this Lease, the Improvements and Lessee's obligations under the Leasehold Mortgage. The Lessor shall exercise the rights herein set out within one hundred twenty (120) days from the date that the Lessor is notified in writing by the Leasehold Mortgagee that these rights may be exercised.

ARTICLE 11

GENERAL TERMS AND CONDITIONS

11.01 Notices. All notices provided to be given under this Lease shall be given by recognized overnight courier service or by certified or registered mail, return receipt requested, postage fully prepaid, addressed to the proper party at:

LESSOR: Commissioner
Department of Property & Procurement
Building No. 1 Sub Base
St. Thomas, U.S. Virgin Islands 00802

LESSEE: Stephen Evans-Freke
Water Island Development Company
6501 Red Hook Plaza, Suite 201
St. Thomas, U.S. Virgin Islands 00802

The address of either party may be changed from time to time by giving written notice to the other party to that effect.

11.02 Unavoidable Delay; Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Lease by the reason of acts of God, inability to secure materials, flood, drought, earthquake, storm, fire, pestilence, lightning, and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, action or inaction of government, or other proper authority, fuel supply or material shortage, or failure, threat of failure or sabotage of facilities that have been maintained in accordance with good engineering and operating practices, or other cause, without fault and beyond the reasonable control of the party obligated, financial inability excepted, performance of such act shall be excused for the period of the delay up to a maximum of ninety days (90) commencing from the date of required notice under this Section; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, that nothing in this paragraph shall excuse Lessee from the prompt payment of all amounts required of Lessee. The party delayed or prevented from the performance of any act as above described shall notify the other party of such delay or prevention within fifteen (15) days of the delayed

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party's knowledge thereof, and shall thereafter keep the other party regularly informed by written notification every thirty (30) days of the status of such delay or prevention.

11.03 Non-discrimination. Lessee in exercising any of the rights or privileges granted by this Lease, shall not, on the grounds of race, color, creed, sex, disability as that term is understood by the American Disabilities Act, or national origin, discriminate or permit discrimination against any person.

11.04 Officials not to Benefit. No member of the U.S. Congress or the Territorial Legislature, no official or officer of the United States or the U.S. Virgin Islands Government, or any of their instrumentalities shall be admitted to any share of this Lease or any benefit of value that may arise therefrom.

11.05 Agreement made in the U.S. Virgin Islands. The laws of the U.S. Virgin Islands shall govern the validity, performance, and enforcement of this Lease.

11.06 Counterparts. This Lease may be executed in four (4) counterparts, each of which shall be deemed an original.

11.07 Cumulative Rights and Remedies. All rights and remedies of Lessor here enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by Lessor of any remedy provided for herein or allowed by law shall not be to the exclusion of any other remedy.

11.08 Interpretation. Words of gender used in this Lease shall be held to include the plural and vice versa unless the context otherwise requires.

11.09 Agreement made in Writing. This Lease contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors in interest.

11.10 Paragraph Headings. The captions of the various articles and paragraphs of this Lease are for convenience and ease of the scope, content, or intent of this Lease or any part or parts of this Lease.

11.11 Invalidity or Illegality of Provisions. The invalidity or illegality of any provisions of this Lease shall not affect the remainder of this Lease.

11.12 Successors and Assigns. All of the terms, provisions, covenants, and conditions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee and their successors, assigns, legal representatives, heirs, executors and administrators.

11.13 Broker. Lessee covenants, warrants, and represents that there was no broker instrumental in consummating this Lease, and that no conversations or prior

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negotiations were had with any broker concerning the renting of the Premises by or through Lessee. Lessee agrees to hold Lessor harmless against any claims for brokerage commission arising out of any conversation or negotiation had by Lessee with any broker.

11.14 Approvals Required. This Lease shall not become effective unless approved by the Governor and the Legislature of the U.S. Virgin Islands. If such approval is obtained, Lessor shall provide written notice of such approval promptly to Lessee in recordable form.

11.15 Cooperation by Lessor. Lessor will cooperate with Lessee in filing zoning or rezoning applications, environmental impact reports, or any other governmental or quasi-governmental applications, studies or declarations as may be required by any government rules in regard to construction of the Water Island Hotel and Marina or other improvements or for obtaining permits, licenses, or approvals to conduct activities on the Premises. Lessor may, and if required by government rules shall, join in the application for any required or desirable permits and authorizations.

11.16 Third Party Beneficiaries. Lessor and Lessee acknowledge that the respective rights and remedies under this Lease are for the benefit of, and can be exercised only by, Lessor and Lessee (and any indemnitees under any provision of this Lease) as their interests appear; provided, however, that Lessor and Lessee agree that Leasehold Mortgagees shall be third party beneficiaries under this Lease.

11.17 Estoppel Certificates. Lessee or Lessor, as the case may be, shall execute, acknowledge, and deliver to the other, promptly upon request by Lessee, Lessor or any Leasehold Mortgagee, a certificate certifying (a) that this Lease is unmodified and in full force and effect, (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications), (b) the dates, if any, to which the rent has been paid, (c) that there are no existing offsets or defenses against the enforcement of any term hereof on the part of Lessee to be performed or complied with (or, if so, specifying the same), and (d) that no notice has been given to either party of any default that has not been cured. Any such certificate may be relied upon by any prospective purchaser, mortgagee or beneficiary under a deed of trust of the Premises or of any interest therein.

ARTICLE 12

CONFLICT OF INTEREST

12.01 Conflict of Interest. Lessee covenants that it has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its obligations under this Lease. Lessee further covenants that it either is:

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(a) Not a territorial officer or employee (i.e. the Governor, Lieutenant Governor, member of the Legislature or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or

(b) A territorial officer or employee and, as such, has:

(i) Familiarized itself with the provisions of Title 3 Chapter 37, Virgin Islands Code, pertaining to conflicts of interest, including the penalty provisions set forth in Section 11.08 thereof;

(ii) Not made, negotiated or influenced this contract, in its official capacity;

(iii) No financial interest in the contract as that term is defined in Section 11.01 of said Code chapter.

12.02 Compliance with Laws. Lessee shall comply with all laws and regulations of the U.S. Government and the Government of the U.S. Virgin Islands including but not limited to: zoning, Coastal Zone Management, building codes, environmental laws, and the American with Disabilities Act. Lessee shall obtain all licenses and permits to use the Premises and to do business in the U.S. Virgin Islands as are required.

12.03 Waiver of Lease Terms. The waiver by either party of any breach of any term, condition or covenant of this Lease, during the Term of this Lease, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, condition or covenant of this Lease. No delay or omission to exercise any right or power shall be construed to be a waiver of any such right or power and every right and remedy conferred under this Lease may be exercised from time and as often as may be deemed expedient by the holder of such right or remedy.

ARTICLE 13

DAMAGE AND DESTRUCTION

13.01 Lessee's Duty to Restore. If, at any time during the Term of this Lease, the Improvements shall be damaged or destroyed by fire or other casualty covered within the insurance designation of fire and extended coverage as same is customarily written in the U.S. Virgin Islands, Lessee, at its sole cost and expense, if so requested by Lessor or elected by Lessee, and provided that the insurance proceeds related to such casualty are made available to Lessee in a sufficient net amount for use in connection therewith, shall repair, alter, restore, replace or rebuild the same as nearly as reasonably possible to its value, conditions and character which existed immediately prior to such damage or destruction, subject to such changes or alterations as Lessee may elect to make in conformity with the provisions of this Lease and modern construction techniques and

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Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

methods. Provided Lessee otherwise complies with the terms of this Lease and obtains Lessor's approval, it may construct Improvements which are larger, smaller or different in design, function or use and which represent a use comparable to prior use or compatible with uses of property in the immediate geographical area, to the extent such construction and improvement are allowed by Section 1.02 of this Lease. However, in the event insurance proceeds related to such casualty are not made available to Lessee for use in connection therewith, or are deemed insufficient by Lessee in its reasonable discretion, and Lessee elects not to rebuild, Lessor and Lessee shall each have the right to terminate this Lease as to such Phase or Phases which suffered the casualty but the Base Rent shall continue at the same amount for any remaining portions of the Premises.

13.02 Termination of Lease for Certain Destruction Occurring During Last Ten Years of Lease Term. Notwithstanding anything to the contrary contained herein, in the event that the Improvements or any part thereof shall be damaged or destroyed by fire or other casualty during the last ten (10) years of the Term of this Lease, and the estimated cost for repair and restoration exceeds an amount equal to twenty-five percent (25%) of the then-current fair market value of the Water Island Resort Community (as determined by an appraisal secured by the Lessee), then Lessee shall have the right to terminate this Lease and its obligations hereunder by giving written notice to Lessor within six (6) months after such damage or destruction. In such event, this Lease shall terminate fifteen (15) days following Lessor's receipt of notice of casualty, and Lessee shall not be entitled to the return of any Base Rent. In such event, the property insurance proceeds for the damaged Improvements, including business interruption insurance proceeds shall be paid to Lessor and Lenders as their respective interests may appear.

ARTICLE 14

ENVIRONMENTAL MATTERS

14.01 Remediation of Prior Contamination; Inspections. It is acknowledged that the Premises previously contained some contamination which was to have been remediated by Lessor or its predecessor in interest. The Lessee shall have the right, prior to commencement of construction of the Improvements, to conduct an environmental audit of the Premises and to perform such borings, samplings and other tests as it may desire to determine the environmental status of the Premises. Any contamination that is revealed to be present on the Premises shall be the responsibility of the Lessor to treat, remove or otherwise remediate, as may be required by applicable laws, codes and ordinances, in order to permit the construction of the Improvements. Further, Lessor will indemnify Lessee for any loss, claims or liability arising from the existence of any such prior contamination.

14.02 Premises Reduction. In the event contamination is discovered on the Premises and Lessor is unable or unwilling to treat, remove or otherwise remediate it as provided in Section 14.02 above, Lessee may, at its election, (a) request that Lessor enter into an amendment to this Lease pursuant to which any contaminated portion of the

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

Premises is deleted from the description of the Premises, if development of the Water Island Resort Community on the balance of the Premises is feasible, in Lessee's sole discretion or (b) terminate this Lease, whereupon Lessee and Lessor shall have no further liability hereunder, except as specifically set forth herein.

SIGNATURES APPEAR ON FOLLOWING PAGES

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

IN WITNESS WHEREOF, the parties herein have hereunto set their hands and seals on the day and year first above written.

WITNESSES:

Paul D. Hamilton
Made Hamilton

LESSEE:

WATER ISLAND DEVELOPMENT COMPANY, LLC

a U.S. Virgin Islands limited liability company

By: Stephen Evans-Freke

Title: Principal

ACKNOWLEDGEMENT

Territory of the U.S. Virgin Islands)
District of St. Thomas, & St. John) ss:

Before me personally appeared Stephen Evans-Freke as Principal, of **Water Island Development Company LLC**, well known, and known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand on this 17 day of November, A.D. 2014

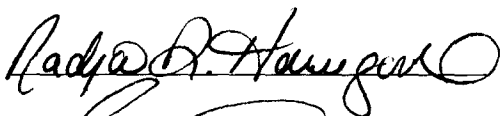
Federick R. [Signature]
Notary Public

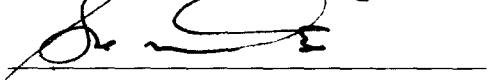
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Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

WITNESSES:



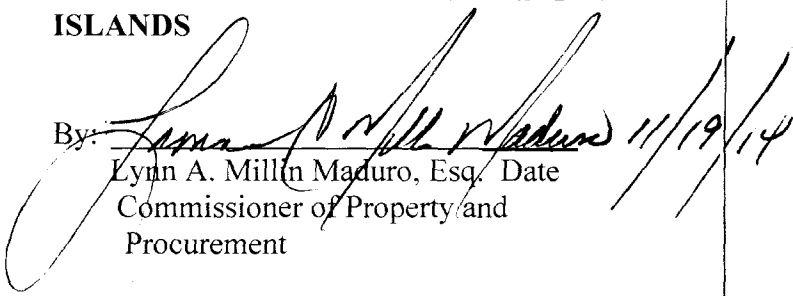


11/19/14
Date

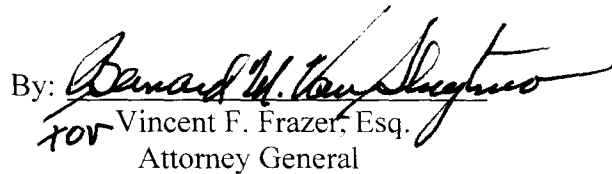
11/19/2014
Date

12/22/2014
Date

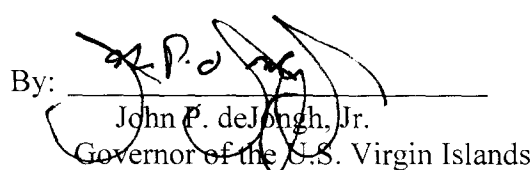
**LESSOR:
GOVERNMENT OF THE U.S. VIRGIN ISLANDS**

By:  11/19/14
Lynn A. Millin Maduro, Esq. Date
Commissioner of Property and
Procurement

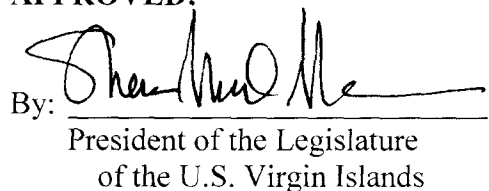
Approved as to Legal Sufficiency

By: 
for Vincent F. Frazer, Esq.
Attorney General

APPROVED:

By: 
John P. deJongh, Jr.
Governor of the U.S. Virgin Islands

APPROVED:

By: 
President of the Legislature
of the U.S. Virgin Islands

Doc# 2014009676

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

[See attached]

EXHIBIT A

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

ID	SUB ID	DEED	ACREAGE	NOTE	MARINE UPLAND	HONEYMOON BEACH	CATCHMENT AREA
Tract B	B-1	1996		ROW			
	B-2		2.317	2.317			
	B-3		0.88	0.88			
	B-4		0.51	0.51			
	B-5			ROW			
	B-6		1.14	1.14			
	B-7		6.3	6.3			
	B-8		0.2	0.2			
	B-9		0.333	0.33			
	B-10		0.138	0.138			
	B-11		0.999	0.999			
	B-12		7.3	7.3			
	B-13		3.932	3.932			
	B-14		6.578	6.578			
B-15	0.988	0.988					
B-16	0.207	0.207					
B-17	0.376	0.376					
B-18	0.037	0.037					
Lot 24	0.592	0.592					
Lot 25	0.462	0.9					
Flemingo 8	0.118	0.118					
Flemingo 9	0.124	0.124					
Flemingo 10	0.101	0.101					
Flemingo 14	0.119	0.119					
Flemingo 16	0.159	0.159					
Flemingo 18	0.182	0.182					
Flemingo 19	0.138	0.138					
Flemingo 22	0.092	0.092					
Flemingo 25	0.082	0.082					
Flemingo 26	0.079	0.079					
Tract C	1996		11				11
Catchment Area	1996		Approx. 3				3

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

EXHIBIT B

QUITCLAIM DEED / RESTRICTIVE COVENANT

EXHIBIT B

QUITCLAIM DEED

THIS INDENTURE, made this 29 day of March, 2005, between **THE UNITED STATES OF AMERICA**, by and through its **DEPARTMENT OF THE INTERIOR, OFFICE OF INSULAR AFFAIRS**, herein called the "Grantor," and **THE GOVERNMENT OF THE U.S. VIRGIN ISLANDS**, through the Governor, herein called the "Grantee."

WITNESSETH: That for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, the Grantor hereby grants, sells, releases, and quitclaims to the Grantee, the successors and assigns of the Grantee, all of the right, title, and interest of the Grantor in the real property including the improvements thereon described as follows:

Property located on Water Island near St. Thomas, U.S. Virgin Islands, designated as Area I, Area J, Area K, Area L, Area M, Area M1, Area N, Area O, Area P, Area Q, Area R, Area S, Area T, Area U, Area V, Area W, Area X, Area Y, Plot D, Plot E, Tract A, Tract D, Tract F, Lot 7 (including all structures and improvements), Lot 25, Lot 24, Lot 87 (including all structures and improvements), Flamingo Bay Villas (Lot 8, Lot 9, Lot 10, Lot 14, Lot 16, Lot 18, Lot 19, Lot 22, Lot 25, Lot 26, and Lot 27), and Lot 279 (Sprat Point)

as marked and shown on a copy of the 1979 map of the Department of the Interior, Bureau of Land Management, (revised July 1996) attached hereto as Exhibit 1, and by reference made a part hereof.

TOGETHER WITH the rights, privileges, and appurtenances, including the use of the roads, ways, and public areas presently existing and designated for such purpose on said map, for use in common with other owners, for ingress and egress to said property.

TO HAVE AND TO HOLD the premises conveyed hereby in fee simple forever.

SUBJECT, HOWEVER, to Virgin Islands zoning regulations, now or hereafter in force, laws, rules, and regulations of the United States Virgin Islands, and to covenants, restrictions, and easements of record, all of which shall run with the land and be binding upon the owners of all lots on Water Island, and inure to the benefit of all of such lots and to the Grantor herein. Additionally, the following nine items are also included as covenants and easements of record:

1. The property is sold in as is condition with no express implied warranties other than those expressly stated herein and subject to Article 6 below, and Grantor's covenants in Exhibit 4 "Water Island Environmental Restrictive Covenants".

2. The Grantee agrees to comply with use restrictions on the property set forth in the list of Restrictive Covenants attached hereto as Exhibit 2, and by this reference made a part hereof which shall run with the land and be binding upon the owners from time-to-time of all lots on Water Island. Said list complies with the United States Fish and Wildlife Service Biological Opinion (no jeopardy) to protect endangered species and the National Historic Preservation Act to protect cultural and archaeological resources. Specific restrictions are addressed by tract and location.

3. The Grantee agrees not to introduce any non-native animal, with the exception of common household pets, such as cats, dogs, and caged birds, to Water Island.

4. The Grantee agrees not to use as a matter of course, off-road vehicles or heavy duty, mechanical beach cleaning equipment on any beach on Water Island and agrees further to keep animals off any beach on Water Island. This restriction shall not prohibit Grantee from using heavy duty equipment to return the beach to its condition prior to any major storm or natural disaster.

5. The Grantee agrees to buy and the Grantor agrees to sell the property in consideration of the following obligations to be assumed by the Grantee.

a. The Grantee agrees to use all property for public purposes only, and as such the name of Water Island will be retained to promote economic development of Water Island for the benefit of the U.S. Virgin Islands, including the residents of Water Island. For purposes of this provision, the operation of a hotel or tourist resort on the property shall be deemed a public purpose.

b. The Grantee agrees to assume all liability that may arise from the property prospectively effective as of the date of closing.

c. The Grantee agrees to provide the following services on Water Island:

- (1) A public dock, with regular scheduled public ferry service, and a deep-water dock
- (2) Maintenance of roads and docks
- (3) Establishment and maintenance of public recreation areas, including the public beaches on Water Island
- (4) Fire protection
- (5) Public safety officers
- (6) Inspection and licensing of motor vehicles
- (7) Regular trash removal

d. The Grantee agrees that Water Island residents will have access to public health, education, and municipal services on the same basis as other residents of the Virgin Islands. It is understood that, due to the unique

condition of Water Island, some of the municipal services may be provided in a location other than Water Island (such as St. Thomas).

6. As set forth more fully in Exhibit 4 "Water Island Environmental Restrictive Covenants," Grantor has complied with the requirements of section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 42 U.S.C. § 9620(h) to the extent required with respect to the property subject to this sale. Consistent with CERCLA section 120(h)(3), Grantor covenants that all action currently necessary to protect human health and the environment with respect to hazardous substances remaining on the property as of the date of transfer has been taken.

7. The Grantee agrees to comply with the Environmental Restrictive Covenants attached hereto as Exhibit 4, including covenants necessary to assure use of property consistent with the environmental condition of the Flamingo Bay Landfill. The Flamingo Bay Landfill area is described in the attached Exhibit 5, boundary description and map, dated September 2004.

8. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this deed or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this deed if made with a corporation or company for its general benefit.

9. The Grantee hereby agrees to indemnify and hold harmless the United States, its employees, agents and assigns from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death arising out of the Grantee's activities under this Deed, including any breach of any covenant or failure to perform any obligation. In addition, subject to Grantor's warranty and covenants in Exhibit 4, Grantee hereby agrees to indemnify and hold harmless the United States, its employees, agents and assigns from any loss or damage and from any liability arising from releases of hazardous substances caused or contributed to by Grantee, or for which Grantee is otherwise responsible under Commonwealth or federal law.

10. The Grantee hereby releases the United States, its Departments, agencies, and employees from any claim for the value of possessory interests in improvements on Water Island whether the claim is predicated upon the Water Island master lease of 1952, any sublease, or any other basis. This release covers all and every property interest on Water Island including the interest in any home or dwelling as may have been constructed by the Grantee and the interest in common properties on Water Island including by way of example roads, docks, and beaches. The Grantee hereby agrees not to bring any claim for the value of any alleged possessory interest against the United States, its Departments, agencies, or employees in any judicial, administrative, arbitration, or other forum.

IN WITNESS WHEREOF, the Grantor has signed this instrument as of the date first written above.

THE UNITED STATES OF AMERICA,
DEPARTMENT OF THE INTERIOR

Nikolas Pula, Director
Office of Insular Affairs

By James Johnson

IN WITNESS WHEREOF, the Grantee has acknowledged receipt of this instrument as of the date first written above.

THE UNITED STATES, VIRGIN ISLANDS
OFFICE OF THE GOVERNOR

Charles W. Mombull
Governor, U.S. Virgin Islands

By James A. O'Bryan, Jr

WITNESSES: (two required)

Ronan P. Best

On this 29th day of March, 2004^{5th} before me, personally appeared Nikolas Pula who acknowledged himself to be the Director, Office of Insular Affairs, United States Department of the Interior (Department). On behalf of the Department, he, being authorized to do so executed the foregoing instrument on behalf of the Department for the purposes therein contained by signing his name.

In witness whereof I hereunto set my hand and official seal.

Alfred J. [Signature]

Notary Public
My commission expires 4/30/07

CERTIFICATION

The undersigned hereby certifies that for recording purposes, the consideration for the within conveyance does not exceed \$ _____

**NOTED IN THE CADASTRAL RECORDS
FOR COUNTRY/TOWN PROPERTY BOOK FOR
WATER ISLAND, NO.10 SOUTHSIDE
QUARTER, ST. THOMAS, VIRGIN ISLANDS.**

Cadastral Survey/Tax Assessor Offices

~~St Thomas, V.I. Dated: May 18, 2005
Phyllis Harrigan, Special Assistant to the
Tax Assessor for Survey
Office of the Lieutenant Governor~~

TEST:

It is hereby certified that the above mentioned property/s which, according to QUITCLAIM DEED dated March 29, 2005 belongs to: THE GOVERNMENT OF THE U.S., VIRGIN ISLANDS, through the Governor (GRANTEE)

Cadastral Survey/Tax Assessor Offices

~~St Thomas, V.I. Dated: May 18, 2005
Phyllis Harrigan, Special Assistant to the
Tax Assessor for Survey
Office of the Lieutenant Governor~~

AFFIDAVIT

The undersigned hereby certifies that the within instrument is exempt from deed stamp tax and deed recording charges pursuant to Title 33 VIC Section 128 (1) as it is a transfer from the Government of the United States of America.

WITNESSES:

**THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
Office of Insular Affairs**

Edgar Johnson

By: Nikolas Pula

James Johnson

DISTRICT OF COLUMBIA)
)

ss:

On this 14th day of April, 2003, before me, personally appeared Nikolas Pula who acknowledged himself to be the Director, Office of Insular Affairs, United States Department of the Interior ("Department"). On behalf of the Department, he, being authorized to do so, executed the foregoing instrument on behalf of the Department for the purposes therein contained by signing his name.

In witness whereof I hereunto set my hand and official seal.

Thomas W. J.
Notary Public
My Commission Expires May 31, 2004

Kronprindsens Gade

TRD-B-537

**GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES
CHARLOTTE AMALIE, ST. THOMAS, V.I. 00801**

**DEPARTMENT OF FINANCE
TREASURY DIVISION**

TO: THE RECORDER OF DEEDS

FROM: THE TREASURY DIVISION

IN ACCORDANCE WITH Title 28, SECTION 121 AS AMEMDED, THIS IS

CERTIFICATION THAT THERE ARE NO REAL PROPERTY TAXES

OUTSTANDING FOR THE UNITED STATES GOVERNMENT

Water Island,
Southside Quarter (PARCEL NO.) 5-07104-0101-00

TAXES RESEARCHED UP TO AND INCLUDING 2003.

RESEARCHED BY:

Marcel Hedrington
Marcel Hedrington

TITLE:

Chief, Enforcement

DATE:

August 03, 2004

VERIFIED BY:

Charles Debes
Charles M. Debes

TITLE:

Chief, Revenue Collection

DATE:

August 03, 2004

COLLECTOR NO.

8501

Exhibit 2

Water Island**Restrictive Covenants**

The restrictive covenants specified are necessary to maintain a no jeopardy opinion by the U.S. Fish and Wildlife Service in compliance with the Endangered Species Act and to protect cultural resources in compliance with the National Historic Preservation Act. All lots and tracts referred to herein are those shown on the 1979 Bureau of Land Management map, a copy of which is attached as Exhibit 1 to all contracts.

DEFINITIONS OF TERMS

For purposes of these restrictive covenants all lots, parcels, villas, and areas of Water Island which have restrictions and are identified below, will be defined as either permanent nondevelopment or restricted development covenant. Any specific restrictions will be identified under restricted development covenant.

Permanent nondevelopment (if not already developed) means that to prevent erosion and other disturbances to endangered species, no additional development or removal of vegetation cover may occur from this date forward unless consulted and approved by the U.S. Fish and Wildlife Service and Virgin Islands Division of Fish and Wildlife; in addition with the Virgin Islands State Historic Preservation Officer for those few lots identified with an asterisk (*) below which have cultural restrictions. Those lots identified with an asterisk will also be provided a copy of the Preservation Covenant.

Restricted development covenant (if not already developed) is a covenant agreed to by the U.S. Fish and Wildlife Service and Bureau of Reclamation that should a building be constructed, only the vegetation within the footprint of the building, associated patio, and driveway is to be disturbed. This would help to reduce erosion into sensitive adjacent marine environments where sea turtles forage.

Lighting restrictions are performance based, meaning that lights are not to be directly visible from any beach. If new lighting is developed, it should be reviewed and the placement approved by the U.S. Fish and Wildlife Service, in conjunction with the Virgin Islands Division of Fish and Wildlife. Existing outdoor lighting (if any) would be reviewed and, if necessary, replaced with shielded outdoor lighting or otherwise modified to not be visible from the beach.

RESTRICTIVE COVENANTS ON ALL WATER ISLAND AREAS

The Buyer agrees not to introduce any non-native animal, with the exception of common household pets, such as cats, dogs, and caged birds, to Water Island.

The Buyer further agrees not to use off-road vehicles or heavy duty, mechanical beach cleaning equipment on any beach on Water Island and that animals will be kept off any beach on Water Island. This restriction shall not prohibit Buyer from using heavy equipment to return the beach to its conditions prior to any major storm or natural disaster.

Owners of boats, lessees, visitors, and clients must moor only at designated mooring sites to minimize impacts to the seagrass beds. The type, number, and location of these moorings will be determined in cooperation with the Virgin Islands Government, U.S. Fish and Wildlife Service, and the National Marine Fisheries Service. Anchoring or mooring in other areas would be prohibited.

RESTRICTIVE COVENANTS ON PUBLIC COMMON AREAS

Permanent Nondevelopment

Tract A Fort Segarra

Tract D (excluding privately owned lots 61, 62, 63, 86, and 87)

Tract F (cultural restriction*) Requires signed Preservation Covenant

Area J (cultural restriction*) Requires signed Preservation Covenant

Lot 279 (cultural restriction*) Requires signed Preservation Covenant

All salt ponds will be maintained as permanent nondevelopment which will consist of a buffer zone 13 feet (4 meters) in width, beginning with the upper limit of the wetlands to protect the candidate species known to inhabit the ponds.

Marina Basin off Flamingo Bay will be maintained as permanent nondevelopment which will consist of the mangrove fringe and buffer zone 13 feet (4 meters) in width, beginning with the upper limit of the wetlands.

Restricted Development Covenant

Tract B previously developed portions may be redeveloped for a hotel or tourist resort. This reference to tract B, excludes the villas and privately owned lots 48-60.

Tract B nondeveloped portions

Tract C, including Honeymoon Beach, will also include restrictions, such as setbacks from beachfront vegetation, in addition to outdoor lighting restrictions, to minimize impacts to sea turtles should additional development take place.

RESTRICTIVE COVENANTS ON SOUTHERN LOTS (WICA AREA)

Permanent Nondevelopment

The following lots if not already developed:

- Lots 72 and 73 (cultural restrictions*) Requires signed Preservation Covenant
- Lot 112 (cultural restriction*) Requires signed Preservation Covenant

Restricted Development Covenant

The following lots if not already developed:

- Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10
- Lots 20, 21, 22, 23, 24, 25, 26, 27, 28, and 29
- Lots 61, 62, and 63
- Lot 71, including lighting restriction
- Lot 78
- Lots 86 and 87
- Lots 94 and 95
- Lot 100
- Parcels 111, 142, and 143

RESTRICTIVE COVENANTS ON SPRAT BAY PROPERTIES

Permanent Nondevelopment

The following lots if not already developed:

- Lot 201 (cultural restriction*) Requires signed Preservation Covenant
- Lots 205 and 206 (cultural restriction*) Requires signed Preservation Covenant
- Lot 208 (cultural restriction*) Requires signed Preservation Covenant
- Lots 209 and 210
- Lot 230
- Lot 234
- Lot 270

Restricted Development Covenant

- Lots 202, 203, and 204

Lot 207

Lots 211, 212, 213, 214, 215, 216, 217, 218, 219, and 220

Lots 221, 222, 223, 224, 225, 226, 227, 228, and 229 (all including lighting restrictions)

Lots 231, 232, and 233

Lot 268

Lot 278

BY:

EXHIBIT 3

**POTENTIAL HAZARDOUS SUBSTANCES AND SOLID WASTES
WATER ISLAND, U.S. VIRGIN ISLANDS
April 2004**

Information in this Exhibit is required under the authority of regulations promulgated under section 120(h) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or "Superfund") 42 U.S.C. § 9620(h)(1).

LOCATION	MATERIAL	Potential RCRA/CERCLA HAZARDOUS WASTE	OBSERVATIONS
the dirt road that to the former house, adjacent to Risk Assessment (RAC) 1 area	Aropol 7241 T-15 FDA		A 55- gallon bung holed drum, in good condition and with no apparent spills. Label read, "Aropol 7241 T-15 FDA"
1 area, adjacent to dirt road that leads to former warehouse.	Marine Gas Tank		RAC 1 area is fenced, and contains scrap metals, abandoned vehicles, and a marine gas tank with unknown contents (inaccessible).
er Hotel Disposal located adjacent the road that leads to the former warehouse. (Area 4)	Miscellaneous debris	x	Located in this area are household debris, appliances, several abandoned vehicles, an abandoned tanker truck, which is empty. Paint cans, car batteries, old empty gas and solvent cans, and old gas tanks.
Area 5, Former Fort Segarra	Batteries	x	This area is used as a transfer station by the VI Government and Water Island Community Association (WICA) for local household trash disposal. Waste streams are segregated, and properly stored. Palettes are used for batteries, and fuels and solvents have secondary containment. There is also a closed, locked containment. Recent investigation indicates no hazardous waste release has occurred.
er Fort Segarra	Physical Hazards		There are no apparent chemical hazards at the former Fort Segarra. However, there are several physical hazards such as a vertical shaft used to access the underground bunker and a hole approximately 4 feet deep in a poorly lit area.
Point	Abandoned Ship		Along the eastern shoreline of Sprat Point, a small ship named the "Amalie Queen" has washed ashore. The hull is breached and a diesel sheen has been previously observed in the water inside the hull.

LOCATION	MATERIAL	Potential RCRA/CERCLA HAZARDOUS WASTE	OBSERVATIONS
Limestone Bay	Battery	x	A compromised battery and an old gas can have been observed approximately 25 feet from the water
Lot 87	Suspected Asbestos containing Material (Class I non- friable)		A 2.5' x 3' piece of tar paper, suspected of containing asbestos is present.
Elephant Bay	Unknown objects and unknown liquid containers		There is a large amount of debris along the shoreline of Elephant Bay including destroyed inflatable boats, outboard

Exhibit 4
Water Island Environmental Restrictive Covenants

1. In accordance with the provisions of 42 U.S.C. § 9620(h) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and regulations of the U.S. Environmental Protection Agency (EPA) at 40 C.F.R. Part 373, the Grantor hereby notifies Grantee that hazardous substances are known to have been stored for a year or more, released and/or disposed of on the property.

The Grantee has been provided with and hereby acknowledges the receipt of several environmental reports, including Bureau of Reclamation, Site Investigation Report, Former Fort Segarra, Water Island, U.S. Virgin Islands (April 27, 2004) and U.S. Corps of Engineers, Engineering Evaluation/Cost Analysis for Former Fort Segarra, Water Island, U.S. Virgin Islands (March 2004), and Site Investigation Report, Plot D and Lot 101, (March 2003) describing the hazardous substance and chemical agent investigations of the property and the type, quantity, and storage, disposal, and release of such materials, to the extent that such information is available.

In particular, those reports note that hazardous substances disposed of on the property for a year or more or stored, or released include an estimated 443,500 pounds of asbestos-containing material (ACM), CASRN (13 2207-33-1). The Grantee has also been provided with and hereby acknowledges the receipt of a supplemental report dated (June 2004) documenting that additional ACM has been removed from the property. Final asbestos removal is documented in Closure Report, Flamingo Bay Stockpile, Water Island (November 5, 2004).

2. In accordance with the provisions of 42 U.S.C. § 9620(h)(3), the Grantor hereby covenants and warrants that:

a. All remedial action necessary to protect human health and the environment has been taken with respect to any hazardous substance remaining on the property as of the date of transfer; and

b. With respect to any hazardous substance which became located on the property prior to the transfer to Grantee and which remained on the property after the date of transfer, any additional remedial action found to be necessary after the date of transfer shall be conducted by the Grantor; provided, however, that this covenant shall not apply to the extent that (i) Grantee is, at the time of transfer, a potentially responsible party with respect to the property; or (ii) Grantee, its successors in interest, its transferees, its assignees, and any person or entity occupying the property pursuant to an authorization from the Grantee causes or contributes to the release of hazardous substances at the property; or (iii) the remedial action is necessitated by soil excavation or disturbance at the Flamingo Bay Landfill, which is subject to the restriction set forth below.

c. The Grantor reserves a perpetual easement over and through and a right of access to the property to perform any additional environmental investigation, monitoring, sampling, testing, remedial action, corrective action, or any other action necessary for the Grantor to meet its environmental obligations under applicable law and as provided in this Deed. This easement and right of access shall be binding on the Grantee, its successors and assigns, and shall run with the land. This reservation includes the right to access and use utilities on the property at reasonable cost to the Grantor. In exercising this right of access, except in case of imminent danger to human health or the environment, the Grantor shall give to the Grantee, or then record owner, reasonable notice of actions to be taken on the property and shall use reasonable means to avoid and/or minimize interference with the use of the property.

Restriction on Flamingo Bay Landfill

With respect to the closed Flamingo Bay Landfill, described in the attached survey and report dated September 29, 2004,(map Exhibit 5) the Grantor has undertaken an investigation of the property and has concluded that the following covenant is necessary to assure use of the property consistent with its environmental condition.

1. The Grantee, its successors and assigns, transferees, and any person or entity occupying the property pursuant to an authorization from the Grantee, shall not conduct or permit others to conduct (1) any excavation, digging, drilling or other disturbance of the soil or ground below a depth of one foot without prior written approval of the United States.

2. Any additional remediation of the Flamingo Bay Landfill necessitated because of Grantee's request to conduct excavation, digging, drilling or other disturbance of the soil or ground below a depth of one foot will be at no additional cost to the United States and with the express written consent of the United States. Consent may be conditioned upon such terms and conditions as the United States deems reasonable and appropriate, including performance and payment bonds and insurance.

3. The Grantee covenants for itself, its successors and assigns, that it shall include and otherwise make legally binding this restriction in all subsequent lease, transfer or conveyance documents relating to the property. Notwithstanding this provision, failure to include this restriction in subsequent conveyances does not abrogate the status of these restrictions as binding upon the parties, their successors and assigns.

c. The Grantor reserves a perpetual easement over and through and a right of access to the property to perform any additional environmental investigation, monitoring, sampling, testing, remedial action, corrective action, or any other action necessary for the Grantor to meet its environmental obligations under applicable law and as provided in this Deed. This easement and right of access shall be binding on the Grantee, its successors and assigns, and shall run with the land. This reservation includes the right to access and use utilities on the property at reasonable cost to the Grantor. In exercising this right of access, except in case of imminent danger to human health or the environment, the Grantor shall give to the Grantee, or then record owner, reasonable notice of actions to be taken on the property and shall use reasonable means to avoid and/or minimize interference with the use of the property.

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Indemnification

Subject to the environmental warranty granted by the United States and set forth above, Grantee, its successors and assigns hereby covenant and warrant that it shall indemnify, defend, and hold harmless the United States and its agencies from any injury, damage, loss, claim, liability, cost, and judgment arising from the acts or omissions of Grantee's employees, agents, contractors or lessees, arising out of, or in connection with, Grantee's use, occupancy or operations on the property.

Anti-Deficiency Act

The obligation of the Grantor to conduct any remediation under this DEED is subject to the availability of appropriated funds to the Department of the Interior, and nothing in this Deed shall be interpreted to require obligations or payments by the Grantor in violation of the Anti-Deficiency Act.

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

EXHIBIT C

MAP OF PREMISES

EXHIBIT C

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

EXHIBIT D

WATER ISLAND EXPRESSION OF INTEREST

DOCN 2014009676

EXHIBIT D

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

EXHIBIT E

INSURANCE REQUIREMENTS

A. Liability and Workers Compensation Insurance Requirements					
During construction, Lessee and/or its general contractor are to carry the liability and workers' compensation insurances set out below. Subcontractors are to carry the same coverages but required limits will be amended for subcontractors to reflect the size of their contracts.					
Once operations have begun, Lessee shall have in place and at all times maintain the below liability and workers' compensation insurances.					
	Coverage Type	Minimum Limit		Maximum Deductible or Retentions	
1.	Commercial General Liability	\$11,000,000 *	Combined single limit per occurrence and in the aggregate where applicable	\$100,000	Per occurrence
2.	Automobile Liability	\$11,000,000 *	Combined single limit per accident	\$100,000	Per accident
3.	Employers Liability	\$11,000,000 *	Each accident for bodily injury by accident Each employee and policy limit for bodily injury by disease	\$100,000	Each accident or employee (for disease)
4.	Workers Compensation	Statutory requirements	Per occurrence	N.A.	N.A.
* Combination of primary and excess or umbrella liability policies. Any combination of primary and excess limits is acceptable if the total equals or exceeds the specified amount.					
Liability Insurance Terms and Conditions					
a.	Additional Insured	The General Liability policy and any Excess or Umbrella Liability policy shall be endorsed to name Lessor as an additional insured. Any such policy shall contain language that "Such insurance as afforded by this policy for the benefit of Lessor shall be primary as respects any claims, losses, damages, expenses, or liabilities arising out of this Lease, and insured hereunder, and any insurance carried by Lessor shall be excess of and noncontributing with insurance afforded by this policy".			
b.	Completed Operations	The General Liability coverage in place during construction shall include Completed Operations coverage, which coverage is to continue for a minimum of two years following completion of construction and acceptance by Lessee.			

Water Island Development Company

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B. Property Insurance Requirements

Property policy(ies) shall cover all risks of direct physical loss to the Premises, including coverage for collapse and transit (with respect to property in transit that will become a part of buildings or structures under construction).

Boiler and machinery coverage on a breakdown basis is to be included in the All Risk policy or provided in a separate policy. Testing of any equipment is to be included.

There shall be no exclusion for the perils of explosion, collapse or underground damage.

1.	Builder's Risk Property Insurance (to be in place from inception of construction through final testing and acceptance at which time property insurance converts to the permanent property insurance program (see B.2.),				
	Coverage Type	Minimum Limit		Maximum Deductible or Retentions	
	Earth Movement including earthquake Volcanic Activity and Subsidence.	To be determined based on values, exposure to loss and insurance market conditions.	Annual Aggregate	5% of Replacement Value	Per Occurrence
	Hurricane/Windstorm		Annual Aggregate	5% of Replacement Value	Per Occurrence
	Flood including Tsunamis		Annual Aggregate	5% of Replacement Value	Per Occurrence
	Debris Removal	\$2,000,000	Per occurrence	Included	
	Ordinance or Law	\$5,000,000	Per occurrence	Included	
	Expediting Expense	\$2,000,000	Per occurrence	Included	
	All Other Perils (including boiler and machinery perils where applicable)	Replacement Value of Insurable Real and Personal Property	Per occurrence	\$500,000	Per Occurrence
	Soft Costs	100% of costs which would be incurred again following a total loss at the end of construction.		45 Days	Per Occurrence
2.	Property Insurance (Permanent program to be in place simultaneously with the expiration or cancellation of the Builders' Risk coverage (see B. 1.))				

Water Island Development Company

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Coverage Type		Minimum Limit		Maximum Deductible or Retentions	
Earth Movement including Earthquake Volcanic Activity and Subsidence.	To be determined based on values, exposure to loss and insurance market conditions.	Annual Aggregate	5% of Replacement Value	Per Occurrence	
Hurricane/Windstorm		Annual Aggregate	5% of Replacement Value	Per Occurrence	
Flood including Tsunamis		Annual Aggregate	5% of Replacement Value	Per Occurrence	
Debris Removal	\$2,000,000	Per occurrence	Included		
Ordinance or Law	\$5,000,000	Per Occurrence	Included		
All Other Perils (including boiler and machinery perils where applicable)	Replacement Value of Insurable Real and Personal Property	Per Occurrence	\$500,000	Per Occurrence	
Extra Expense/Expediting Expense Combined	\$2,000,000	Per Occurrence	Included		
Replacement Power Extra Expense	To the extent coverage is reasonably available, 100% of incremental expense that Lessor incurs to replace the annual output of the Water Island Resort Community, such amount to be determined with Lessor each year.		45 Days	Per Occurrence	
Property Insurance Terms and Conditions					
a.	Coinsurance	No property policy may contain a coinsurance clause.			
b.	Ordinance or Law	Each property policy is to cover the costs incurred in repairing or replacing the damaged property to meet current building codes. Coverage is to be provided for: <ul style="list-style-type: none"> • Loss to the Undamaged Portion of the Building • Demolition Cost • Increased Cost of Construction 			
c.	Terrorism	Terrorism coverage is not required.			

Water Island Development Company

Tract B consisting of approximately 33.1 U.S. Acres and Tract C consisting of approximately 11.9 U.S. Acres, and the Catchment Area consisting of approximately 3 U.S. Acres, Water Island, Virgin Islands

C. Requirements Applicable to All Insurance Policies		
1.	Insurance Company Rating	All insurance companies shall be rated A- or better by A.M. Best's. Should an insurance company's rating fall below A- Lessee (or its general contractor) shall replace that insurance company with a qualifying insurance company within 60 days.
2.	Notice of Cancellation	Each insurance company shall provide written notification to Lessor 60 days prior to the effective date of any cancellation, non-renewal or material change.
3.	Evidence of Compliance with Insurance Requirements at Insurance Date	<p>Evidence is to consist of an original certificate of insurance signed by an approved officer of the insurance company or its authorized representative. The certificate shall show:</p> <ul style="list-style-type: none">• The name of the insurance company• The policy period• The policy number• The description of the property• The name of the Lessee/Policyholder• Lessor as an additional insured (General Liability and Excess or Umbrella Liability only)• Lessor as loss payee (Builders Risk Property Insurance and Property Insurance including Replacement Power Extra Expense)• The 60 days cancellation notice <p>Liability insurance certificates are to be on ACORD form 28 or its equivalent for property insurance and ACORD form 25 or its equivalent for liability insurance. Evidence of workers' compensation insurance shall be issued by the appropriate Workers' Compensation Administration bureau of the Government of the Virgin Islands.</p>
4.	Evidence of Renewal or Replacement Policies	Lessee shall advise Lessor of any renewals or replacements of the required insurances by providing the same documentation required in C.3 above. Such evidence shall be provided prior to the expiration date of the policy that is being renewed or replaced.

Water Island Development Company

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EXHIBIT "F"

LETTER OF INTENT



THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE

Charlotte Amalie, V.I. 00802
340-774-0001

November 19, 2014

U.S. Mail

The Honorable Sally Jewel
Secretary of the Interior
U.S. Department of the Interior
Washington, DC 20240

Re: Sale of Properties to Water Island Development Company, LLC

Dear Secretary Jewel:

On November 19, 2014, the Government of the Virgin Islands ("Government") approved a lease agreement to the Water Island Development Company, LLC ("WIDC") for the redevelopment of the former Water Island Hotel property as a boutique resort. WIDC was selected through an Expression of Interest (EOI) issued by the Government on September 19, 2013. (See Attached EOI) Our interest in attracting a developer of a boutique resort was to achieve an economic activity on Water Island that would be consistent with the current community. It would supplement the product diversification and re-branding that we are executing to broaden our tourism offerings while providing permanent jobs and creating business opportunities. The previous hotel on the island, Sea Cliff Hotel, was first built in 1953 as the Water Isle Hotel and destroyed in 1989 as a consequence of Hurricane Hugo. Since that time there has been no meaningful and contributing economic activity on Water Island.

The Government engaged REVPAR International, Inc. ("REVPAR") a hospitality advisor and asset management firm in September 2012 to assess the viability of lodging development on Water Island. On November 29, 2012, after conducting a market study and financial analysis on the feasibility of the redevelopment of a hotel and marina on Water Island, REVAR issued an assessment indicating that such a project was in fact feasible. (See Attached Assessment)

The EOI resulted in proposals from three developers: LAURENS GmbH, WIDC and RED Legacy, LLC. After reviewing the proposed submissions, the Evaluation Committee, which was comprised of key stakeholders including: the Office of the Governor, Department of Tourism, Department of Property and Procurement, Virgin Islands Economic Development Authority, and the U.S.V.I. Hotel and Tourism Association along with REVPAR in an advisory

role conducted two (2) rounds of Oral Presentations to select the developer, in this instance WIDC.

In addition to the boutique resort, WIDC has proposed constructing residential dwellings and villas in conjunction with a community center and commissary to make the overall development more attractive to creating economic redevelopment on the island. While the Government agrees that this will foster economic growth, the Government as a general policy only leases land for business and commercial activity and not for private residential development. Therefore, we were and are willing to offer certain parcels and lots of land for the residential development only to fortify the economic sustainability of the hotel and marina development. The 1996 Contract of Sale for the transfer of Water Island obligates the Government to:

2A. The Buyer agrees to use all property for public purposes only, and to promote the economic development of Water Island for the benefit of the U.S. Virgin Islands, including the residents of Water Island. For purposes of this provision, the operation of a hotel or tourist resort on the property operation established.

We believe that the selection of WIDC meets the requirement of the above stipulation; however, to succeed in the current economic environment and secure a funding source and generate the financial returns to support the operations and financing vehicles, additional property on Water Island has been requested by WIDC. The additional acreage will to supplement the former hotel footprint and provide an opportunity for specific residential development as a component of the hotel project. In light of these objectives, the Government is prepared to offer for sale specific undeveloped properties listed in Addendum I.

As stipulated in the Contract of Sale, the Government must have the approval of the Department of Interior to divest any property that was the subject of the 1996 transfer. Specifically, the 1996 Contract of Sale states:

2C. The Buyer agrees that if the transferred property or any portion thereof is sold, the proceeds shall be paid to the United States unless there is a written agreement between the Governor of the Virgin Islands and the Secretary in effect prior to the sale providing for a different disposition.

Since the expiration of the former master lease in 1992 and transfer in 1996, we have achieved the transfer and clear title of all public and private properties, constructed a public ferry dock, constructed a deep water industrial dock, undertaken significant road resurfacing, established a basic level of fire service, developed a process for public safety response, and provided regular trash removal.

In the multiple studies performed by the U.S. Government and non-profit agencies since 1980, the best course forward to remedy the undeveloped economic potential on Water Island

and the clearly defined recommendation in the best interest of the residents and the Territory is for resort development. In the Water Island Use Plan Study completed by the University of the Virgin Islands in 2006, properties for potential residential locations were earmarked for moderate income residential housing under the Virgin Islands Housing Finance Authority. In addition to DOI's approval to offer for sale the specific properties set forth in Addendum I (attached hereto), the Government has started the process of identifying properties for the purpose of constructing such moderate income housing units in partnership with the Virgin Islands Housing Finance Authority.

The Government has started the process of resurveying and recording the identified properties (set forth in Addendum I) through the Department of Property & Procurement. As part of the underlying due diligence and pricing, three (3) independent appraisers will be engaged and commissioned to perform valuations on the properties to determine the value for purposes of negotiating a sale.

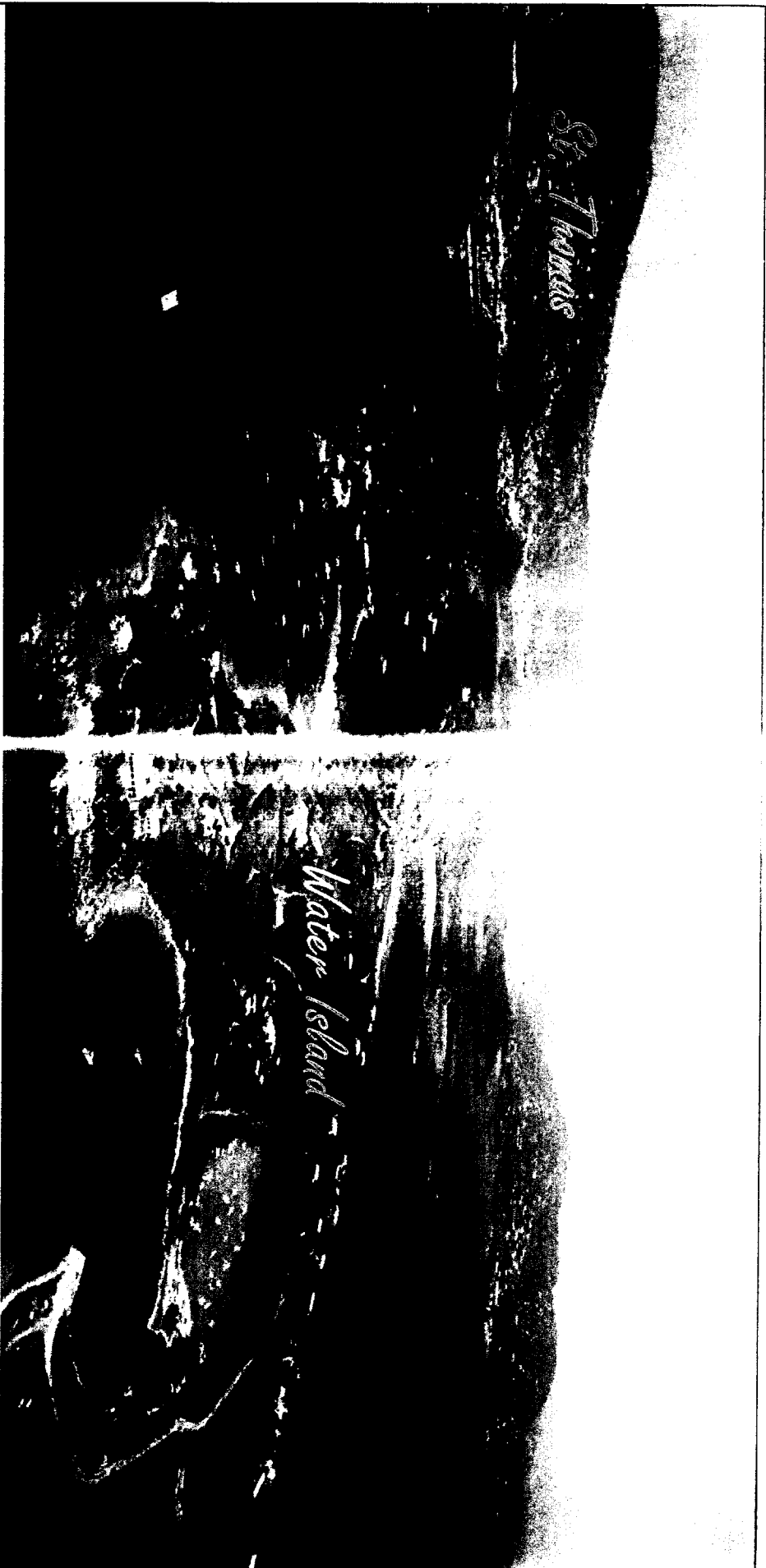
With the approval by the U.S Department of the Interior, we will offer the listed properties to WIDC and to achieve sustainable economic activity on Water Island and create high quality jobs for our workforce, in an effort to strengthen this valuable economic asset for the benefit of the entire Virgin Islands.

Sincerely,



John P. de Jongh, Jr.
Governor


Enclosures



Expression of Interest Resort Development Water Island, USVI

Issue Date: September 19, 2013

Closing Date: November 15, 2013; 5:00 pm EST

 **REVPAR**
International





The Government of the United States Virgin Islands (USVI) is in developing and subsequently operating a world-class resort, with the additional adjacent land for residential development. The addition well as possible residential development on the 1,100-acre Water increase and enhance USVI tourism through the development of a and creates opportunities for residents of the territory to participate in the country's long-term economic growth.

The amount of the FOI is initially subject to the level of interest from an appropriate development partner for the project under a long-term. However, the Government to better understand and more clearly define potential developer and operator may require in order to ultimately assess the project on Water Island and the USVI.

...giving suitably qualified firms to submit an expression of interest (EOI) in the availability of two designated sites on Water Island in the USVI, as well as if a resort along with appropriate support services, facilities and amenities, as island is a priority project for the Government. The primary objective is to renew upscale resort that generates high quality jobs for the local workforce, participate in the project development and operation, all of which collectively the hospitality investment community to undertake the venture and identify in lease agreement with the Government of the USVI. Moreover, the FOI will define any infrastructure support services and requirements, if any, that a fully commit funds to the project and deliver an economically viable, world-

Water Island Beach Club

Water Island is roughly 490 acres and the youngest of the USVI. It was purchased by the U.S. Government from the Danish East India Company in 1917 as a means to protect the submarine base on neighboring St. Thomas. The U.S. Department of Defense relinquished and transferred control of the island to the U.S. Department of the Interior, which then leased it to Water Island for a partnership of two private developers. The lease was for 20 years during which time Water Island first constructed a hotel and residences. In 1996, the Department of the Interior formally transferred control of Water Island to the USVI Government, making it the fifth island in the territory. During the transfer, the existing residents with sublease agreements were allowed to acquire their property on a fee simple basis.

In its current state, Water Island functions as a residential or bed and breakfast community for a population of less than 200 people, concentrated in primary areas. In addition, there are a variety of rental homes, cottages, and one campground available to overnight visitors. There is little evidence of commercialization, and the USVI Government with assistance from residents provides limited services to the island. Emergency first response is provided by the volunteer Water Island Search and Rescue Squad.

The original hotel on Water Island was 50 rooms and commenced operations on January 1, 1954. In 1963, dredging occurred to create a new marina, complete with the construction of a dining room and bar. In December 1965, Water Island first sold the master lease for Water Island to Water Isle Hotel & Beach Club under the ownership of Edward McVie. McVie commenced an ambitious new hotel expansion program called "The Colony Club," increasing the number of rooms to 110 by 1970 and providing additional recreational amenities including tennis courts and a dock. Moreover, the location of favored destination spot for many USVI-bound guests who were interested in experiencing a new island included environment. The lease was renewed in 1975 for another 20 years. In 1995, the Colony Club shut down and reopened as the Stearns Boat Hotel under the management of the Beach Management Corporation. In 1989, Hurricane Hugo severely damaged the hotel and its subsequently closed. The lease ran out three years later and was not renewed. The remains of the hotel and club remain.

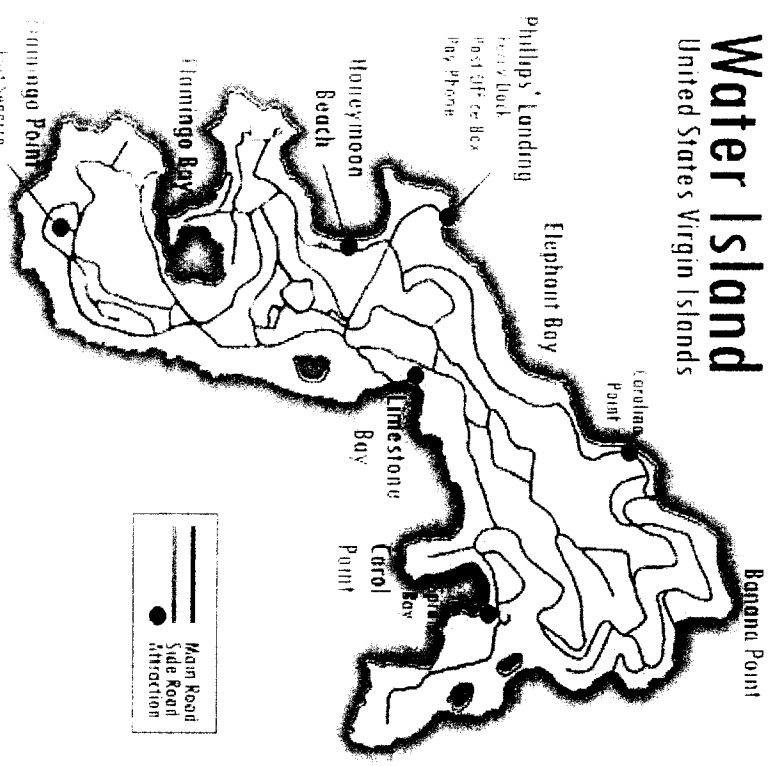
Club

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Water Island

United States Virgin Islands

Welcome to
WATER ISLAND



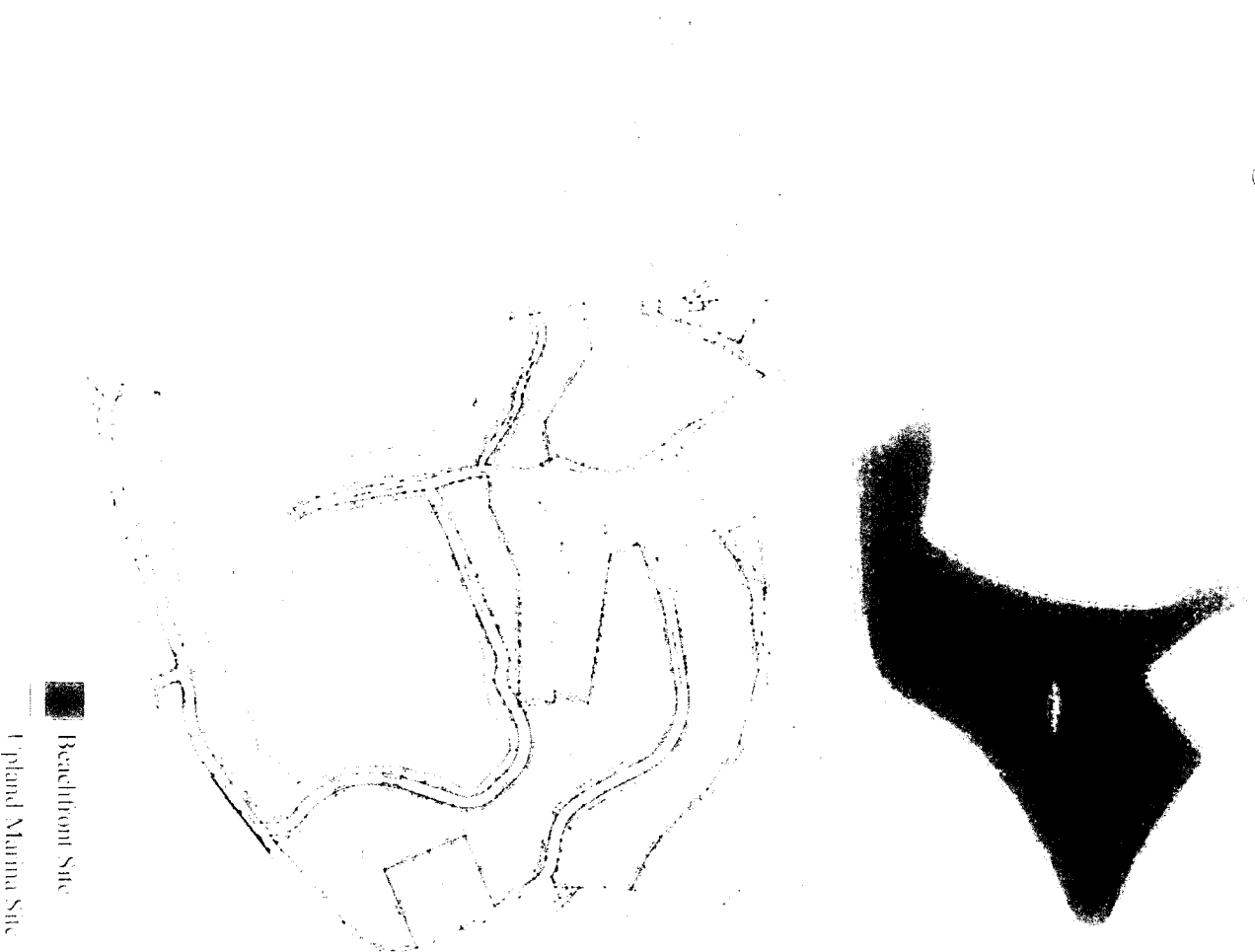
The two designated sites can be described as unique: a significant advantage in light of the (Honeycomb) Beachfront site's direct location on the sea and the original Water Island Hotel and Beach Club site's spectacular views of Drift and Flamingo Bays. Collectively, these attributes make these two of the most picturesque destinations in the Caribbean. These two specific sites outlined below are under development and specifically designated for resort development, either alone or in combination. Furthermore, the development of the E.S.V. is open to residential development within the additional parcels of land surrounding the Island Marina Site as discussed below.

- **Honeycomb Beachfront Site** – an 21-acre tract between the waterline of Honeycomb Beach and the Main Road overlooking Drift Bay, and suitable for a primary beachfront resort location.

- **Island Marina Site** – the site of the original Water Island Hotel and Beach Club. This site is situated on the peninsula between Drift Bay and Flamingo Bay, suitable for redevelopment as a resort location or ancillary benefits to a more primary location. Land surrounding Flamingo Bay could be used for a small marina for the resort's boat launch. Moreover, supplementary plots of land surrounding the site can potentially be used for residential uses as part of the overall development project.

Although not contiguous, the two designated parcels are separated by a few residential plots. In total, the two land parcels comprise 67 acres. Overall, the secluded nature of the sites, stark exclusivity and privacy afforded by the E.S.V. both of which help make their location the perfect playground for a multitude of activities (ranging from a world-class resort including the ability to simply relax on the water, and a High-end Beach and swim in the lagoon) will attract an upscale market.

The Designated Sites





Highlighted areas are not to scale and are approximate.



Honeymoon Beach

The U.S.V.I. are a popular destination by travelers throughout the world; a study conducted in 1992 found that 75 percent of U.S. passport holders have had to experience the burden of customs and immigration procedures throughout the world. U.S. Visitation is most significant from the affluent metropolitan areas of the Northeast, with the highest concentration of visitors coming from the New York City metropolitan area.

The U.S.V.I. is a commonwealth, comprising 15 million visitors annually, who spend over \$1 billion in the economy. The annual spend equates to more than \$700 per available room night. The country's many attractions, rich in culture and history, are a major draw for tourists. Several world-class resorts are located on the islands of St. Thomas and St. John, which are supported by a robust transportation infrastructure and a well-known cruise ship industry.

large contingent of whom originate from the United States, in part aided by United Airlines. This is a unique selling proposition as many U.S. travelers do not want to fly to a remote island destination. The country's many attractions, rich in culture and history, are a major draw for tourists. Several world-class resorts are located on the islands of St. Thomas and St. John, which are supported by a robust transportation infrastructure and a well-known cruise ship industry.

The U.S.V.I. is a commonwealth, comprising 15 million visitors annually, who spend over \$1 billion in the economy. The annual spend equates to more than \$700 per available room night. The country's many attractions, rich in culture and history, are a major draw for tourists. Several world-class resorts are located on the islands of St. Thomas and St. John, which are supported by a robust transportation infrastructure and a well-known cruise ship industry.

Water Island

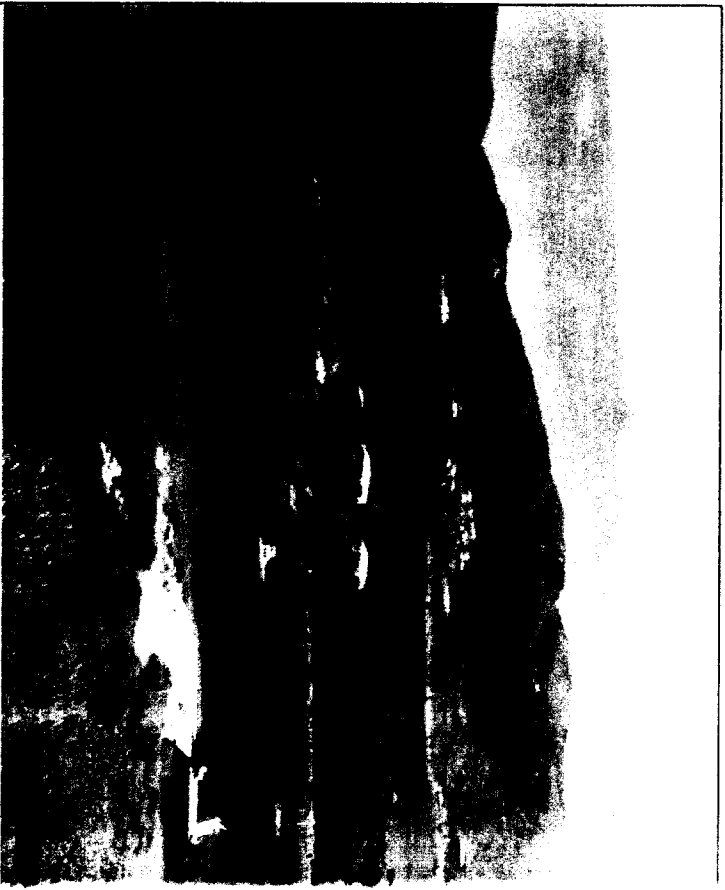


As of year-end 2011, there were 77 hotels with 27,500 rooms in the USVI. This includes large resorts like the Marriott Frenchman Reef, small inns, and even the Mahoe Bay Tent Camp. Separately, the USVI had a total of 630 condominium, guesthouse, and timeshare units. The USVI also reported 100 units for the majority of 1,850 units, however, includes both seasonal owners and on-rental on a casual or indirect basis.



West Indian Company Dock in Havensight

USVI based on the latest figures available from the USVI Bureau of Economic Research. This includes large resorts like the Marriott Frenchman Reef, small inns, and even the Mahoe Bay Tent Camp. Separately, the USVI had a total of 630 condominium, guesthouse, and timeshare units. The USVI also reported 100 units for the majority of 1,850 units, however, includes both seasonal owners and on-rental on a casual or indirect basis.



According to Smith Travel Research (STR), as of April 2013, there are 4884 rooms in the USVI market, with 309 lodging facilities contributing data to STR. The vast majority of the room supply contributing data to STR. The vast majority of the room supply consists of upscale and luxury properties which would be deemed to varying degrees to any new resort on Water Island. These properties include the Ritz-Carlton St. Thomas, Marriott Frenchman's Reef, Star Beach Resort, Bologny Bay Beach Resort, Westin St. John, Rosewood Grand Bay Resort, Renaissance St. Croix, and Carani Resort & Spa, to name a few.

As evident in the adjacent table, the reporting supply of rooms in the overall market considerably over the reporting period, with overall increases in occupancy and average daily rate resulting in RevPAR levels exceeding \$200 in 2012. As of year-to-date 2013 through April, occupancy and average daily rates continue to increase at roughly equal rates, showing RevPAR growth in each of the reporting period over the same period in the prior year.

There are 78 hotels in the USVI market, with 65 percent of this supply consisting of competitive properties. Major competitors include the Ritz-Carlton St. Thomas, Marriott Frenchman's Reef, Star Beach Resort, Bologny Bay Beach Resort, Westin St. John, Rosewood Grand Bay Resort, Renaissance St. Croix, and Carani Resort & Spa, to name a few.

Historical Operating Performance (the USVI Lodging Supply)					
Year	Occ.	ADR	% Chg.	RevPAR	% Chg.
2009	65.7%	\$258.06	--	\$169.48	--
2010	67.0%	\$269.25	4.3%	\$180.36	6.4%
2011	61.2%	\$291.25	8.2%	\$178.13	(1.2%)
2012	68.1%	\$301.02	3.6%	\$209.40	15.9%
2013	70.6%	\$301.02	0%	\$211.41	10.0%
2012	76.6%	\$273.17	--	\$209.41	--
2013	79.4%	\$383.19	39.2%	\$301.13	43.4%

Source: Smith Travel Research; compiled by RIA/VPAR International

The two resort sites are owned by the Government of the FSM. As such, they intend to lease them to the successful bidder under a development and long term lease agreement. The intent is for the successful developer/operator to design, develop, construct, operate and maintain the upscale resort for the duration of the lease term. The Government of the FSM is open to extending a lease up to 99 years. The bidder may mortgage its leasehold interest subject to the requirements and limitations set forth in the lease agreement (provided the land remains unencumbered) to be negotiated between the Government and the successful bidder. The specific terms of the development and ground lease agreements will be negotiated with the successful bidder. For the land lease, it is anticipated that the Government will seek to establish a minimum base rent with a percentage above a certain revenue threshold.

Utilities are in place and available on Water Island including electricity and telephone service via Virgin Islands Water and Power Authority and Innovative Communication, respectively. Meanwhile, there is currently no potable water or public sewage system on the island, with the only fresh water source consisting of rainwater collected in cisterns. As such, it is likely that a reverse osmosis desalination water plant, as well as a wastewater treatment plant, would need to be installed on direct water and sewer lines connecting to St. Thomas, be established for the resort. Also, with the rest of the FSM, Water Island will soon be able to host a world class, open access, high speed fiber optic broadband network which will connect to the rest of the world, the infrastructure for which has been installed now.



Honeymoon Beach

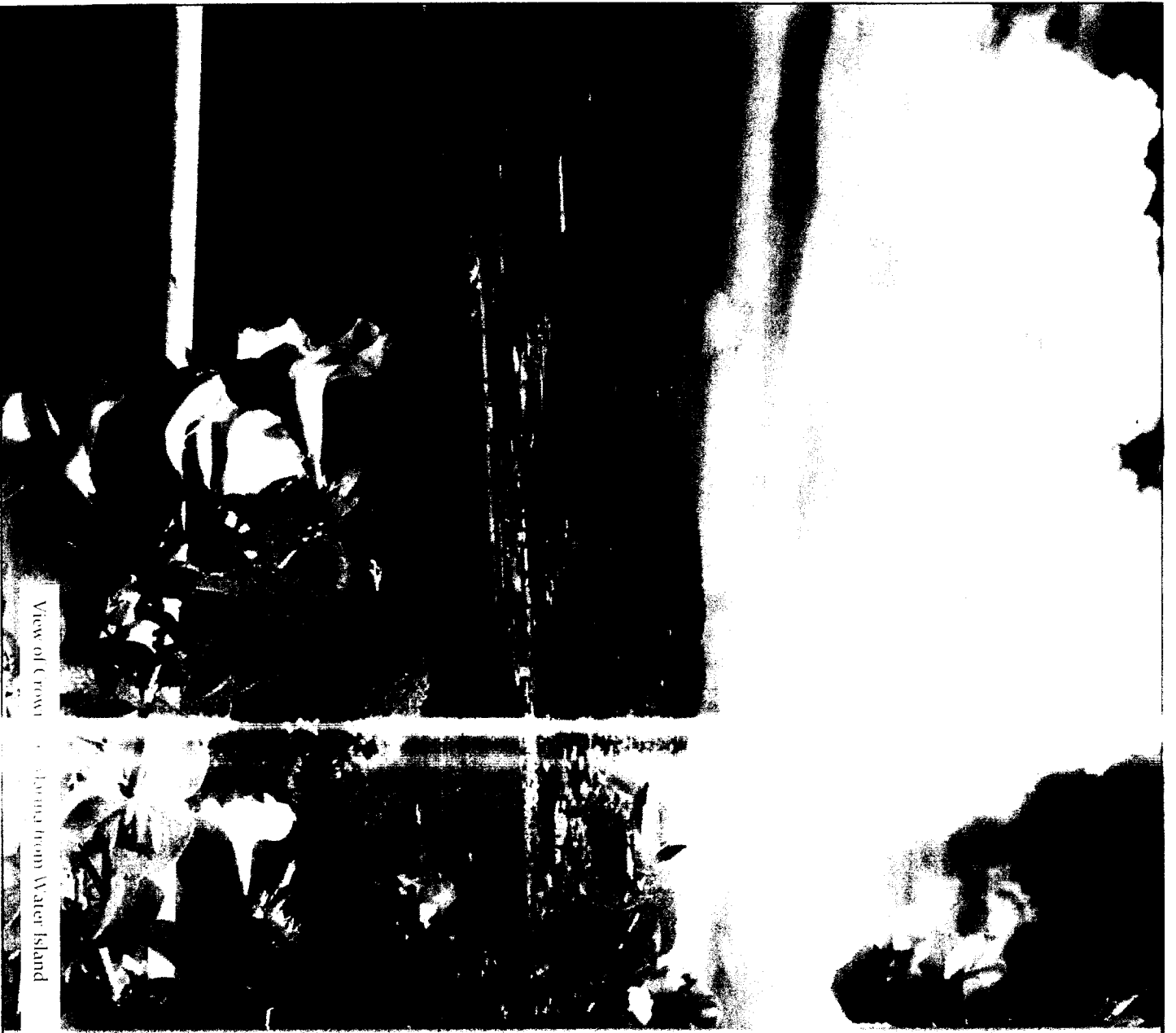


Phillips Landing

The Government is encouraging bidders to be innovative and creative in their approach to developing the Water Island sites into a unique world-class resort. At a minimum, the resort should be self-sufficient and of an upper upscale nature, providing a full range of facilities and amenities commensurate with industry standards for this level of self-sufficiency operation. Specific amenities and features set forth in the bidder's FOI will be incorporated into the final development lease agreement. Any ancillary facilities that are required should be set forth clearly in the FOI, as well.

The FOI should consider that the Government of the USVI is desirous of the following in relation to the resort project:

- 1) A turnkey approach (developing, financing and operating the resort).
- 2) World-class upper upscale resort, with recognizable and consistently high standards in services and amenities which will enhance the USVI's reputation as a pre-eminent leisure tourism destination.
- 3) Environmentally friendly LEED Certification is preferred.
- 4) Current or proposed affiliation with a successful internationally known brand.
- 5) Large guests comprising both leisure tourism and group travelers.
- 6) The proposed development should complement the attributes of the surrounding area and the uniqueness of the USVI.



View of Crown

View from Water Island

- The Government of the FSM will:
- 1) grant a term lease to the developer on mutually agreeable terms, on the land(s) which would comprise the resort sites; the renewal of which will not be unreasonably withheld;
 - 2) expeditiously facilitate, subject to the laws of the FSM, the requisite permissions required to proceed with this investment including FSM Coastal Zone Management (CZM) permitting. A CZM permit is required for any development activity in the first tier of the coastal zone;
 - 3) consider the grant of additional incentives available under the laws of the FSM, subject to appropriate qualification or conditions;
 - 4) consider the lease of additional parcels owned by the Government of the FSM under the deed restrictions implemented by the Department of the Interior.

The FSM offers very unique tax incentive programs for qualified businesses relocating to their shores through the Economic Development Commission. Benefits for businesses in the EDC program can include up to 90% reduction in corporate income tax, 90% reduction in personal income tax, and 100% exemption on business property tax. Additionally, the EDC Hotel Development Program under 29 A.C. Law provides additional tax incentives for a limited time period for projects that are Development initiatives.



Flamingo Bay

It is our intent to use a two-step process in the solicitation, evaluation and award of the project. The first step will be for the bidder to submit a proposal for evaluation by both RFP/RFQ International and the Government of the USVI. After evaluation of all proposals, a short list of up to 3 firms will be made. These firms will be required to make a formal mutually agreeable place and time. Based on the presentation, along with any additional information or clarification requested, we will begin negotiations with the bidder that best fulfills the stated requirements. Pending the outcome of these negotiations, we will enter consummate an agreement with the

bidder and award of the project. The first step will be for the bidder to submit a proposal for evaluation by both RFP/RFQ International and the Government of the USVI. After evaluation of all proposals, a short list of up to 3 firms will be made. These firms will be required to make a formal mutually agreeable place and time. Based on the presentation, along with any additional information or clarification requested, we will begin negotiations with the bidder that best fulfills the stated requirements. Pending the outcome of these negotiations, we will enter consummate an agreement with the

In order to facilitate your understanding of the objectives of the Government of the FSVI, the sites, the design facilities to be developed, as well as provide you any other information pertinent to providing us with the most complete and competitive EOI submission, we have arranged two site visits and briefings as follows:

1. October 29, 2013 at 10:00 am
2. October 30, 2013 at 10:00 am

The site visit will include a briefing from R/V/V/R International and the Government of the FSVI representatives, a tour of the subject site and an outreach to answer any questions that arise during the course of the day. We estimate each site visit will take three to four hours.

Please RSVP for the site visit no later than October 11, 2013 at 5:00 pm EST by emailing Mr. Cylke at



Honeymoon Beach

Required FOI Content

The following should be submitted by interested parties:

- 1) Letter of Interest.
- 2) Full contact details and corporate profile of the developer.
- 3) Where the investor will not be the developer or operator, full contact details of the key entities that will be involved in the proposed development (developer, managers, and operators).
- 4) Summary and evidence of a proven track record, solid references, success, and qualifications and experience in the hotel industry.
- 5) Schematic design and/or conceptual rendering illustrating the proposed development; as well as key elements of the resort project including services and amenities.
- 6) Preliminary Business plan that includes:
 - a) Narrative description of the proposed development, which takes into account the matters outlined in the project scope above.
 - b) Estimate of the project development budget, and evidence of the developer's financial ability to undertake such a project.
 - c) Detailed financing/funding models, budgeting, and other options will also be required at later stages in the process.
 - d) Details of the proposed developmental time line.
 - e) Any additional information that the person(s) consider appropriate to assist the Government of the USVI with a better understanding of its proposal.
- 7) Any additional consideration either in the form of incentives or in the form of additional land development rights.

Please note that, if the EOI is from a consortia or joint venture, the information on all entities comprising the consortia must be provided. It must clearly indicate which person is the lead entity of the consortia, the nature of the consortia should be specified, and evidenced by letter or agreement signed by all participating entities.

Evaluation Criteria

At this juncture, there is no specific evaluation criteria, though all responses adhering to the Required FOI Content as outlined above will be considered.

Submittal Details

Please submit three (3) hard copies and one (1) electronic copy to the address below **no later than November 15, 2013 at 5:00 pm EST** to the following address:

REVPA International, Inc.
Attention: Christopher Cylke
1020 N. Fairfax Street, Suite 200, Alexandria, VA 22314
Telephone: (703) 790-4754
Email: info@revpa.com

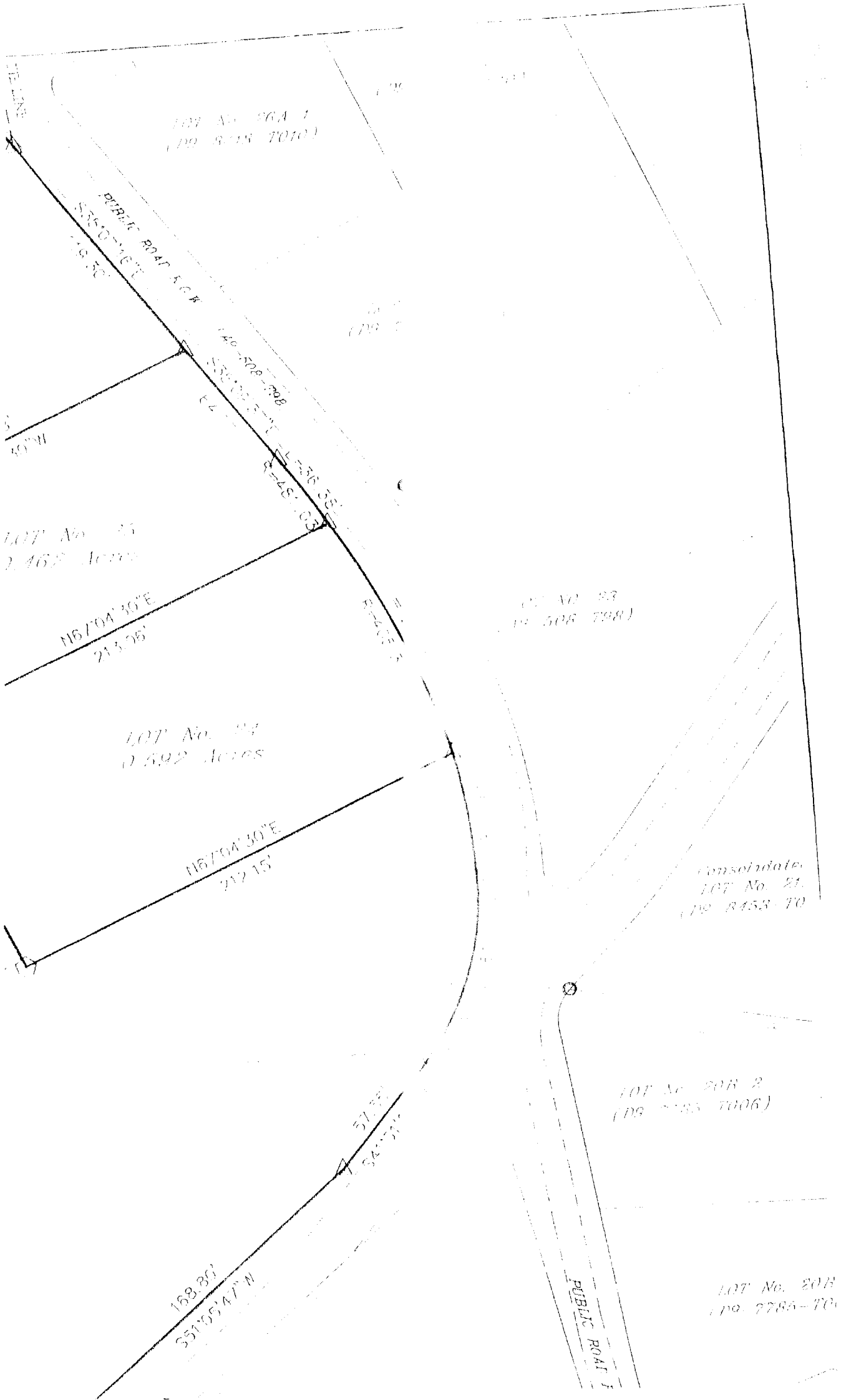
- Any submittal received after the deadline will be returned to the sender.
- EOI must be in a sealed envelope, which is clearly marked "Water Island Resort Development, Water Island."
- No faxed proposals are permitted.
- The Government of the USVI and REVPAR International shall not be responsible for the loss or non-receipt or delay in the receipt of any EOI sent by post or courier to REVPAR International, Inc.
- Any and all costs associated with your company's submission of the EOI including any costs associated with any requested or independent site visits will be borne by you. Nothing in this letter of solicitation should be construed as obligating the Government of the USVI or REVPAR International, Inc. to reimburse you for any costs associated with your submission(s) for this endeavor.
- It is the responsibility of each company to clearly mark all information submitted as part of the submission considered to be of a proprietary or confidential nature.

Correspondence

All questions, inquiries, and correspondence associated with this solicitation should be emailed to Mr. Cylke at info@revpa.com. Please provide "EOI Water Island Resort" in the subject line. Any information given to a prospective firm concerning this EOI will be furnished to all known prospective firms as an amendment to the EOI, if, in the opinion of REVPAR International, such information is necessary in submitting responses to this EOI. Oral instructions or information to award are not binding.

Under no circumstances should you contact the Government of the USVI during the course of this process. Nothing in this letter or solicitation obligates the Government of the USVI to enter into any agreement or management agreement with any party. This solicitation may be cancelled at any time without notice.





LOT No. 26A 1
(D9 8725 7010)

PUBLIC ROAD 5.6 W
S85°00'46"E
119.50'

LOT No. 25
2.467 Acres

N67°04'30"E
213.05'

LOT No. 27
0.592 Acres

N67°04'30"E
217.15'

168.89'
S51°05'47"N

57.75'
S44°17'14"

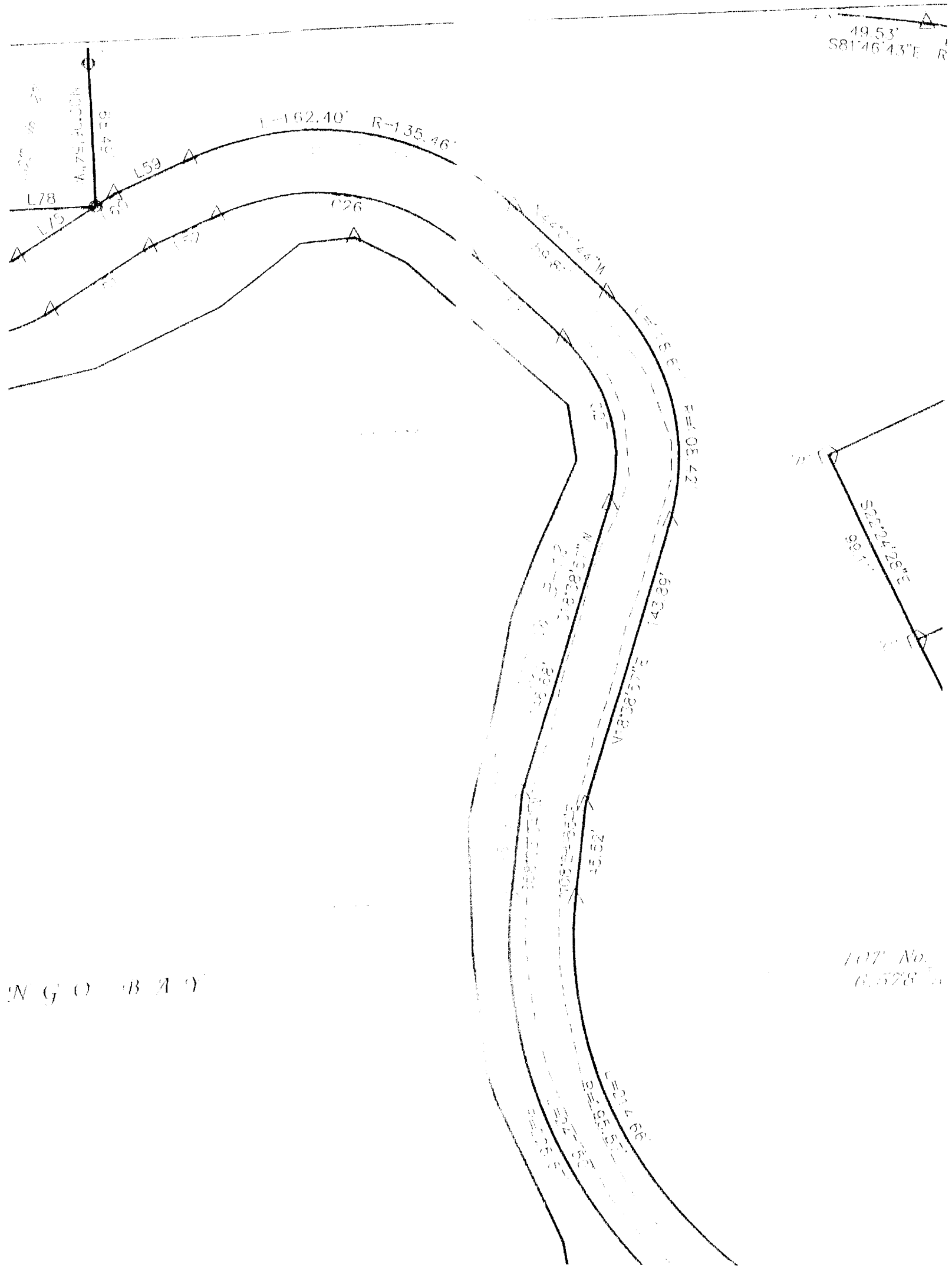
PUBLIC ROAD 1

LOT No. 20B
(D9 2785-70)

LOT No. 23
(D9 506 798)

Consolidated
LOT No. 21
(D9 8453-70)

LOT No. 20B 2
(D9 2785 7006)



49.53'
S81°46'43"E R

L-162.40' R-135.46'

L59

L78

L15

C26

S42°14'48\"/>

L-15.6'

E-103.42'

S44°51'20.8\"/>

162.241

S22°24'29\"/>

99.11'

N 5°02'21\"/>

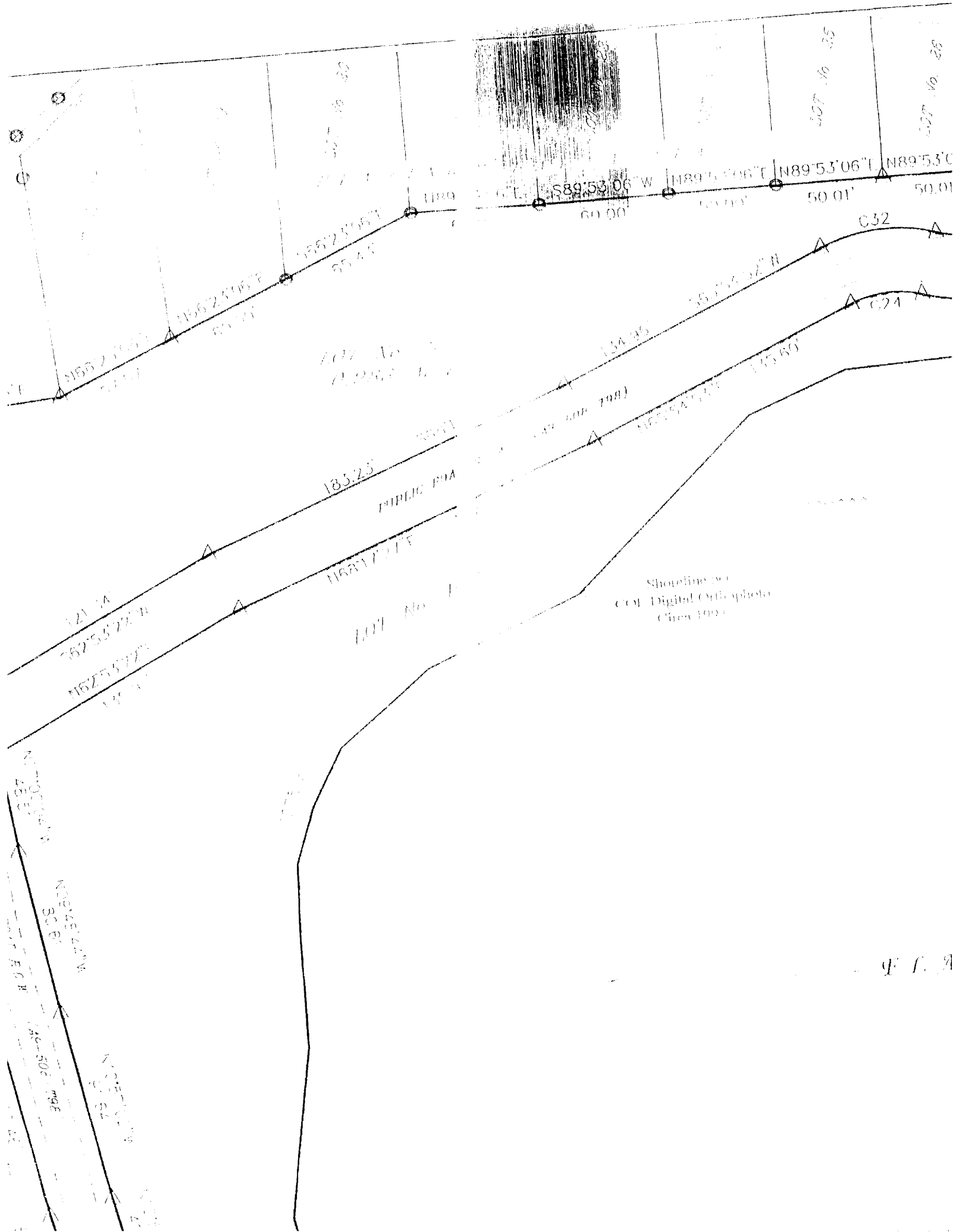
29.9'

L-214.66'

E-193.53'

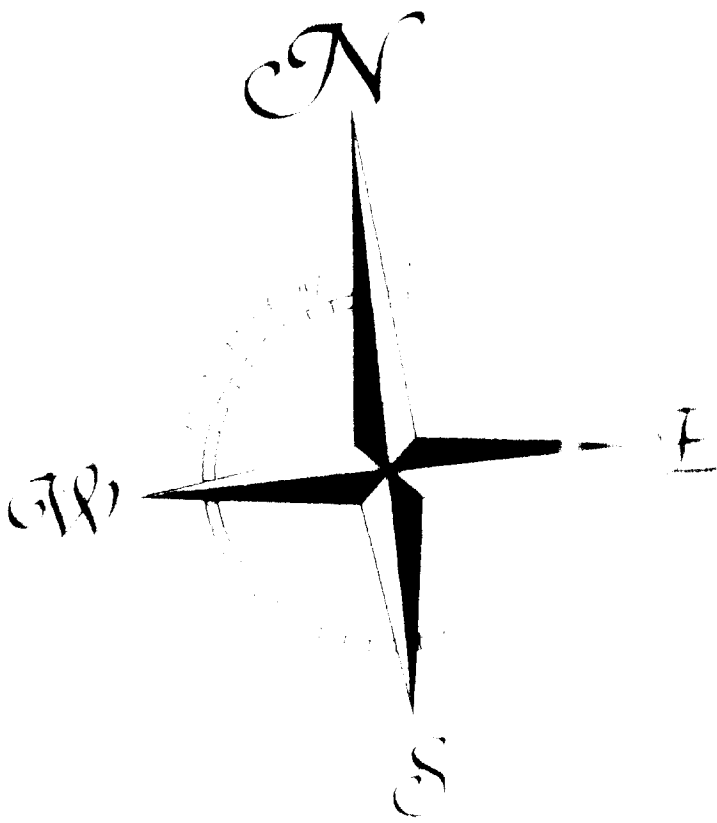
N G O B A Y

107 No.
6,578



Shoreline and
 Col. Digital Orthophoto
 circa 1999

F. A.



LOI No. B-16

LINE	LENGTH	BEARING
1	51.29'	N22°10'12" W
2	73.25'	S83°27'40" W
3	125.66'	N86°13'28" E
4	82.57'	S55°14'20" E
5	46.2'	N52°16'11" W
6	1.14'	N52°16'11" W
7	45.28'	N40°10'11" W

LINE	LENGTH	BEARING
8	32.18'	N40°10'11" W
9	150.45'	N40°10'11" W



N 9