

Senators:

Thank you to those of you who have participated in a tour of Water Island recently. We appreciate the attention you have given to this development project. For those who have not yet had the time to come to Water Island, please know that you are always welcome. There is nothing like a personal visit to understand why our residents are so concerned with the scope of this project. We have been asked by several Senators to provide a clear statement of what development we could accept. This email is that proposal.

As we have said so many times, Water Island supports a project that redevelops the hotel and marina. The United States even provided for the rebuilding of the hotel/marina project in the transfer deed and required GVI to seek a hotel/marina rebuild project. The 2026 Amended Lease designates a 35-acre tract for the hotel/marina rebuild. While we prefer an open bidding process to identify the best hotel/marina development proposal, in the spirit of compromise, we can support a lease to WIDC for a hotel/marina on the 35-acre tract it has designated for that project.

The 2026 Amended Lease adds 144 new acres to the lease, identified in the lease as the "Additional Resort Land." See, July 8, 2026 Amended Lease, Section 1.1, page 2: "The 'Additional Resort Land' shall consist of the land so described on Exhibit B. The **Additional Resort Land is hereby added to** and made part of the Premises." It is this addition of 144 acres, which comprises nearly one-third of the entire island, and converts public lands into private luxury housing extending from one end of the island to the other, that is the subject of our many objections. Accordingly, we would ask that the following lands be excluded from the Amended Lease as Additional Resort Land, Exhibit B, and transferred as specified below:

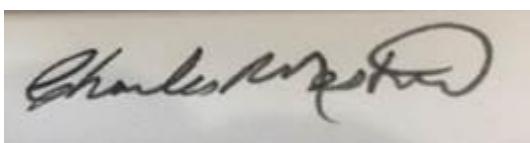
- The 35 Lots (collectively 60 Acres), designated for transfer to the VI Housing Finance Authority for Moderate Income Housing (and Veterans) pursuant to Act 6751 of 2005 and Act 7321 of 2011. The specific lots are identified on Map 6.1 of the 2007 Water Island Land Use Plan established pursuant to Act 6751.
- Tracts D and F, designated for transfer to the VI Territorial Parks System by the 2007 Water Island Land Use Plan developed pursuant to Act 6751 of 2005.
- Tract A, Fort Segarra, designated for transfer to the VI Historic Preservation Office by the 2007 Water Island Land Use Plan developed pursuant to Act 6751 of 2005.

The remainder of the Additional Resort Land would be excluded from the lease, but eligible for sale to WIDC or its designee residential housing purchaser if United States Department of Interior approves the sale.

Areas J and Y, designated for transfer to the VI Territorial Parks System by the 2007 Water Island Land Use Plan developed pursuant to Act 6751 of 2005, are not included as Additional Resort Land, and we have no objection to the limited maintenance agreement referenced in the lease for these tracts.

We are hopeful that this proposal can lead to resolution that will allow development to proceed.

Very truly yours,

A handwritten signature in black ink, appearing to read "Chuck Nestrud", is written on a light-colored background.

Chuck Nestrud, President

Water Island Civic Association