

MINOR COASTAL ZONE MANAGEMENT PERMIT NO. CZMIW0001-23

- I. **AUTHORITY** This permit is issued by the Commissioner of the Department of Planning and Natural Resources and is administered and monitored by the Department pursuant to Title 12, Chapter 21, and Virgin Islands Code. As herein, "Permitter" is the **Government of the Virgin Islands** and "Permittee" is **Coakley Plantation LLLP**.
- II. **SCOPE** This permit allows for the installation and, the submerged lands occupancy of two 224' long, 3" OD HDPE pipes in approximately 6'– 7' of water to be used as an intake and brine discharge for a reverse osmosis plant. The pipes are to be installed seaward of Plot 14, Estate Coakley Bay, Christiansted, St. Croix, USVI.
- III. **TERM** This permit is effective upon its signing by the Commissioner of the Department of Planning and Natural Resources, approval by the Governor of the Virgin Islands, and ratified by the Legislature of the Virgin Islands. As used herein, the "Effective Date" or "the date hereof" means the date of such ratification. This permit will expire twenty (20+) years after the Effective Date. The Permittee shall have the option to renew the permit within ninety (90) days before the permit expires and the fees are subject to negotiations. This permit is issued for a definite term, twenty (20) years, and shall not constitute a property right. The Permit shall be renewed only if the requirements of Title 12 of the Virgin Islands Code, Section 911, are met.

IV. DOCUMENTS INCORPORATED BY REFERENCE

- EXHIBIT A CZM Permit Application dated May 10, 2023**
EXHIBIT B Site plan and Drawings dated May 10, 2023
EXHIBIT C Minor Environmental Assessment Report prepared by Tysam Tech, LLC

V. GENERAL CONDITIONS

1. **Liability.** The Permittee agrees to assume full and complete responsibility for all liability to any person or persons, including employees, as a result of its control of the area described in Paragraph 2 of this permit, and all improvements thereon (which area and improvements are herein after referred to as "the premises") and to hold the Permitter free and harmless from civil or other liability of any kind during the time the Permittee is in control of the premises pursuant to this permit.
2. **Personal Property and Damage.** All personal property of any kind or description whatsoever, located on the premises will be there at the Permittee's sole risk.
3. **Assignments or Transfer.** This permit may not be transferred or assigned except as provided in Section 910-15 of the Regulations of the Coastal Zone Management Act.
4. **Permit to be displayed.** A placard evidencing the permit shall be posted in a conspicuous place at the project site during the entire period of work.
5. **Reliance on Information and Data.** In issuing the permit, the Committee, the Commissioner, and their authorized agents or representatives have relied on the information and data provided by the Permittee. The Permittee affirms that the information, and data which he/she provided in connection with his/her permit

application is true and accurate and acknowledges that if subsequent to the effective date of this permit such information and data proves to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part and that the Commissioner may, in addition, institute appropriate legal action.

6. Development to be Commenced. Any and all development approved by this Coastal Zone Management Permit shall be commenced within twelve (12) months from the date this permit becomes effective. Failure to perform substantial work within such period and thereafter until completion of construction will cause the permit to lapse and render it null and void unless an extension is granted by the Commissioner.
7. Notification of Completion. Upon completion of any activity authorized or required by this Coastal Zone Management Permit, the Permittee shall promptly so notify the Director of the Division of CZM ("The Director") and where the services of a professional engineer were required in undertaking the activity, a certification of compliance provided by the project engineer that the plans and specifications of the project and all applicable Virgin Islands Code requirements have been met, shall be filed with the Director.
8. Inspection. The Commissioner or his authorized agents or representatives shall have the power to enter at reasonable times upon any lands or waters for which a Coastal Zone Permit has been issued. The Permittee shall permit such entry for the purpose of inspection and ascertaining compliance with the terms and conditions of said Coastal Zone Management Permit. The Permittee shall provide access to such records as the Commissioner in the performance of his duties under the Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commissioner upon request.
9. Conditions of premises. The development authorized by this permit shall be maintained in a safe, attractive and satisfactory condition and in accordance with the description, plans or drawings approved by the Commissioner.
10. Restoration of Area. The Permittee, upon revocation or expiration of the permit, shall upon order of the Committee, or the Commissioner, and in their sole discretion, remove all structures authorized by the permit and restore the area to its original condition in the manner specified by the Division of CZM, and/or modify such structures or site, and/or comply with any reasonable directive of the Committee, or the Commissioner in satisfying the original permit conditions in such time and manner as the Committee, or the Commissioner may direct.
11. Notices. All notices sent or required to be sent hereunder must be certified mail, return receipt requested. If addressed to the Permitter, same shall be sent to the Commissioner of the Department of Planning and Natural Resources, 45 Mars Hill, Frederiksted, USVI 00840 or to such place as the Permitter may herein after designate by certified mail. If addressed to the Permittee, same shall be sent to David Johnson dba Coakley Plantation LLLP, PO Box 26225, Christiansted USVI 00824 or to such place as the Permittee may hereinafter designate by certified mail, return receipt requested.
12. Non waiver. One or more waivers by the Permitter of any covenant or condition of this permit shall not be construed as a waiver or breach of the covenant or condition, and the consent or approval of the Permitter to or of any acts by the Permittee

requiring the Permitter's consent or approval shall not be construed as approval of any subsequent similar act by the Permittee.

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13. Revocation. It is specifically understood that all foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by Permittee, are to be well and faithfully kept by Permittee and that any failure by Permittee to keep same will result in revocation of this permit.
14. Other Approval. If the development covered under this permit requires separate and distinct approval from the United States Government or any agency, department, commission or bureau thereof, then no development or occupancy is allowed under this permit until such permits or approvals have been obtained.
15. Abandonment. If the Permittee abandons, deserts or vacates the premises or discontinues its operations at the premises for a period totaling six (6) consecutive months, then the permit will terminate automatically and be rendered null and void.
16. Damage and Repair of Premises Described in Paragraph 2. In the event of damage to or destruction of the premises described in Paragraph 2 hereof, repair work may be done only after a request to do so has been submitted in writing to the Department and permission in writing has been granted. Repair must duplicate the original work, and must be in accordance with applicable law, rules and regulations.
17. Signatures on the Permit Document. The applicant shall sign and return the permit document to the Department within sixty (60) days of receipt thereof. Failure to return the signed permit within the time period specified herein will be considered a rejection of the terms and conditions of the permit and will render the offer of the permit null and void, unless a written extension is requested and granted.

VI. SPECIAL CONDITIONS

1. This permit authorizes the work specified in Section II "Scope." No other work is allowed.
2. The Division of Coastal Zone Management (CZM) shall be notified at least 48 hours prior to the commencement of the development activity authorized.
3. A Territorial Pollutant Discharge and Elimination Systems (TPDES) permit must be obtained from the Division of Environmental Protection for the brine discharge.
4. No dredging is permitted.

VII. FEES

1. The rental fees for the use and occupancy of the submerged and/or filled submerged lands as described in "SCOPE" are assessed pursuant to 12 VIC §911(f) and have been negotiated with the Permittee pursuant to 12 VIRR §910-5(e). The initial payment under this permit is due upon receipt of the effective permit, and subsequent

payments are due on the anniversary of the effective date. Without further notice or demand, payments are to be made to the Department of Planning and Natural Resources.

2. A rental fee of **three thousand, four hundred, twenty Dollars and 00/100 (\$3,420.00)** per year, payable annually in advance, shall be charged for the two pipes and water area covered under this permit occupying the submerged lands area. Beginning the sixth (6th) year of this permit, the rental fees payable under this permit shall be adjusted in accordance with the increase in the U.S. Department of Labor Consumer Price Index (CPI-U) for All Urban Consumers, All Items, and shall be calculated using the CPI Inflation Calculator located on the website of the Bureau of Labor Statistics of the United States Department of Labor (http://www.bls.gov/data/inflation_calculator.htm) using the previously calculated year as the Base Year for comparison. This shall be the annual fee through the tenth (10th) year of the permit term.
3. Six months prior to the eleventh (11th) anniversary of this permit, the rental fees are to be renegotiated pursuant to 12 VIRR §910-5(e). Failure by the Permittee to renegotiate the rental fees with the Department will result in an automatic increase of the fees by 25% of the previous annual fee.
4. Upon the fifteenth (15th) anniversary of this permit, the rental fees payable under this permit shall be adjusted in accordance with the increase in the U.S. Department of Labor Consumer Price Index (CPI-U) for All Urban Consumers, All Items, and shall be calculated using the CPI Inflation Calculator located on the website of the Bureau of Labor Statistics of the United States Department of Labor (http://www.bls.gov/data/inflation_calculator.htm) using the previously calculated year as the Base Year for comparison. This shall be the annual fee through the twentieth (20th) year of the permit term.
5. Upon the twentieth (20th) anniversary of this permit or at expiration, the rental fees shall be adjusted annually pursuant to the increase in the Consumer Price Index in the manner described in paragraph "VII. 5." above until the renewal permit is approved or the structure removed.
6. In no event shall any rent determined in any of the above manners be reduced below the annual rent of the previous year.
7. In the event that any installment of rent or any other charge due from Permittee is not received by Government within ten (10) days of the date due, Permittee shall pay to Government a late charge calculated at 10% of the total amount then past due.
8. In the event of an assignment or transfer of this permit pursuant to 12 VIRR § 910-15, the Assignee may be required to negotiate the fees with the Division of CZM pursuant to the provisions of 12 VIRR § 910-5.

IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title holder to all submerged lands or filled land which is altered or occupied on the basis of this permit is in the Government of the Virgin Islands, and the Permittee shall have no right or interest therein, of any kind whatsoever, other than such rights as are expressly set forth herein, and that this instrument is not a lease.

IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

**DEPARTMENT OF PLANNING AND NATURAL RESOURCES
PERMITTOR**



Jean-Pierre L. Oriol,
Commissioner

02-Feb-2024
Date


**COAKLEY PLANTATION, LLLP
PERMITTEE**



David Johnson, Sole Member

12/6/23
Date

**APPROVED
GOVERNOR OF THE U.S. VIRGIN ISLANDS**



Governor

4/2/24
Date

**RATIFIED
LEGISLATURE OF THE U.S. VIRGIN ISLANDS**

President

Date

BASIS FOR NEGOTIATIONS

COAKLEY PLANTATION, LLLP

Seaward of Plot 14, Estate Coakley Bay, Christiansted, USVI

General Information

Permit Application No. CZMIW0001-23
Applicant: David Johnson dba Coakley Plantation LLLP
Location: Seaward of Plot 14, Estate Coakley Bay, Christiansted USVI
Activity: Installation of two 224' long, 3" OD HDPE intake and discharge Pipes

Fee Calculation

The permittee is extracting 14,600,000 gallons/year to serve an 8-acre estate with a main house, guest house, gate house, two pools, and an irrigation system.

\$0.0002/gallon: $14,600,000 \times \$0.0002 = \$2,920.00$

Occupancy fee: \$500.00

Total: 3,420.00

Summary

Pursuant to Virgin Islands Code, Title 12, Chapter 21, §911(f) (1) **the annual rental fee of Three Thousand, Four Hundred, Twenty Dollars and 00/100 (\$3,420.00) payable in advance, is being charged for the extraction of seawater, use and occupancy of the submerged land areas covered under this permit, subject to increase beginning in the fourth year of the permit.**