

MAJOR COASTAL ZONE MANAGEMENT PERMIT NO. CZT-06-21(L&W)

- I. AUTHORITY** This permit is issued by the St. Thomas Committee of the Virgin Islands Coastal Zone Management Commission (the "Committee") and is administered and monitored by the Government of the Virgin Islands Department of Planning and Natural Resources ("DPNR" or the "Department") on behalf of the Committee pursuant to Virgin Islands Code, Title 12, Sections 910 and 911, and any other provisions of Chapter 21 that apply. As herein, the "**Permitter**" is the **ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS COASTAL ZONE MANAGEMENT COMMISSION**, and the "**Permittee**" is **JACK ROCK B-A C LLC**.
- II. SCOPE** This permit allows for the development of a marina facility consisting of the following:
- A 10,000 ft² restaurant, retail and marina services building
 - A 10,000 ft² warehouse building
 - A boat dry storage and services yard area (which can accommodate dry stacking)
 - A 23,119 ft² dock consisting of four fixed piers and bulkhead, forming 17 permanent slips
 - a 380 ft² wave attenuator
 - the installation of 68 moorings for a managed mooring field
- This permit also allows for the dredging of 7,200 yds³ of material and the use and occupancy of ~ 45.83 acres of submerged lands
- The project is located on Parcel No. 3 (Consolidated 9B-A) Estate Nazareth, St. Thomas, US Virgin Islands.
- III. TERM** This permit is effective upon its signing by the Chairman of the Committee, pursuant to V.I. Code, Title 12, Chapter 21, approval by the Governor of the Virgin Islands, and ratification 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 75 years after the Effective Date. This permit is issued for a definite term of 75 years and shall not constitute a property right. 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 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: Amended Major CZM Permit Application Form L&WD-2 dated February 17, 2022
- Exhibit B: Plans labelled "Latitude 18 Marina Redevelopment / Rem.

Consolidated 9B-A Estate Nazareth, St. Thomas, U.S. Virgin Islands / CZM Revision – Submission Date: December 21, 2022 / Applicant: Jack Rock B-A C LLC” Including drawing entitled “Muller Bay Mooring Field Small Boats Access Channel” dated September 30, 2024.

- Exhibit C: Environmental Assessment Report dated January 2022 and Supplemental Environmental Assessment Report dated December 2022 (collectively, the EAR)
- Exhibit D: Tree Boa Protection Plan dated November 2022

V. GENERAL CONDITIONS

- A. 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 section II of this permit, and all improvements thereon (which area and improvements are hereinafter referred to as “the premises”), and to hold the Permitter free and harmless for civil or other liabilities of any kind during the time the Permittee is in control of the premises pursuant to this permit, or for any liability occurring after such time if the liability is a result of Permittee’s past control of the premises.
- B. Personal Property and Damage All personal property of any kind or description whatsoever, located on the premises shall be there at the Permittee’s sole risk.
- C. Assignment or Transfer This permit may not be transferred or assigned except as provided in Section 910-15 of the Virgin Islands Rules and regulations.
- D. Permit to be Displayed A placard evidencing the permit shall be posted in a conspicuous place at the project site during the entire work period.
- E. Reliance on Information and Data The Committee and the Commissioner of DPNR (the “Commissioner”) have relied on the information and data provided by the Permittee and the Permittee affirms that the information and data it provided in connection with its permit application are true, complete and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data prove to be false, incomplete 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 proceedings.
- F. Development to be Commenced Any and all development approved by this coastal zone permit shall begin within twelve (12) months from the date this permit becomes effective and shall be continuous until completion. Failure to commence work within such period and continuously construct thereafter

until the completion of construction shall cause the permit to terminate automatically and render it null and void, unless the permittee requests an extension in writing and demonstrates to the satisfaction of the Commissioner that good cause exists for granting such extension. If a permittee requests an extension of a major coastal zone permit, notice shall be published of such request, and the public shall have the right to comment in writing concerning such request.

- G. Notification of Completion Upon completion of any activity authorized or required by this Coastal Zone Management ("CZM") Permit, the Permittee shall promptly notify the Director of the Division of CZM. 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.
- H. Inspection The Commissioner or his/her authorized agents or representatives shall have the power to enter at reasonable times upon any lands or waters in the coastal zone for which this 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 Permit. The Permittee shall provide access to such records as the Commissioner in the performance of his/her duties under the CZM Act may require the Permittee to maintain. Such records may be examined, and copies shall be submitted to the Commissioner upon request.
- I. Conditions of Premises Any development authorized by this permit shall be maintained in a safe condition and in accordance with the description, plans, and/or drawings approved by the Commissioner, and all applicable Virgin Islands Laws.
- J. Public Access to Shoreline The development shall be operated so as to assure optimum public access to the shoreline.
- K. Restoration of Area The Permittee, upon revocation or expiration of the permit, shall upon order of the Commissioner, and in their sole discretion, remove all structures authorized by the permit and restore the area to its original condition, and/or modify such structures or site, and/or comply with any reasonable directive of the Commissioner in satisfying the original permit conditions in such time and manner as the Commissioner may direct.
- L. Notices All notices sent or required to be sent hereunder must be by 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, 4611 Tutu Park Mall, Suite 300, St. Thomas, Virgin Islands 00802,

or to such other place as the Permitter may hereinafter designate. If addressed to the Permittee, same shall be sent to JACK ROCK B-A C LLC c/o Cristina Blackburn at 6501 Red Hook Plaza, Suite 201 – Box 231, St. Thomas, U.S. Virgin Islands 00802 and Dudley Newman Feuerzeig LLP at 1000 Frederiksberg Gade, St. Thomas, VI 00802 or to such place as the Permittee may hereinafter designate.

- M. Non-Waiver One or more waivers by the Permitter of any covenant or condition of this permit shall not be construed as a waiver of a further breach of the covenant or condition. 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.
- N. Revocation A violation of any provision of the permit shall result in revocation of the permit.
- O. Other Approval If the development or occupancy covered under this permit requires separate and distinct approval from the United States Government or the Government of the Virgin Islands, 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.
- P. Abandonment If the Permittee abandons, deserts or vacates the premises or discontinues its operation at the premises for a period totaling six (6) consecutive months, the permit will terminate automatically and be rendered null and void.
- Q. Damage and Repair of Premises Described in Section II In the event of damage to or destruction of the premises, described in section II hereof, repair work may be done only after a request to do so has been submitted in writing to the Department and written permission has been granted by the Department.
- R. Signatures on the Permit Document The Permittee 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 the Permittee requests a written extension, and the Department grants the written extension.

VI. SPECIAL CONDITIONS

1. The Permittee shall notify the Division of Coastal Zone Management at least seventy-two (72) hours prior to the commencement of any development activities.

2. All other federal and territorial development-related permits must be obtained prior to the commencement of any development activities. This includes any requisite permit from the US Army Corps of Engineers, the US Coast Guard, as well as DPNR's Division of Environmental Protection and the Division of Permits.
3. The Permittee must submit a Waste Stream Management Plan to the VI Waste Management Authority. This plan should include all solid waste concerns associated with the proposed project.
4. All site preparation and earthwork activities must be performed in the presence/assurance of an on-site arborist and in a manner that is compliant with the VI Tree Boa Site Clearance Protocol. The Permittee shall notify the Division of Coastal Zone Management at least seventy-two (72) hours prior to the commencement of any site preparation and earthwork activities.
5. The Permittee must adhere to all protocols established in the USVI Coral Mitigation Relocation Recommendations.
6. The Permittee must apply to the Division of Environmental Protection to obtain a Terminal Facility License that is required for the project site.
7. The Permittee must apply for a requisite Territorial Discharge Elimination Systems (Wastewater) Permit from the Division of Environmental Protection for the proposed wastewater treatment plant.
8. The Permittee must submit a Landscaping Plan for approval to the Division of Coastal Zone Management and the Division of Fish and Wildlife. The Landscaping Plan must include creating a visual and noise barrier to the adjacent East Wind Condominiums.
9. A project lighting plan must be developed for the project site. The lighting plan should include the placement of lights, type of bulb, light orientation and planting of vegetation (if applicable). Further, said Lighting Plan must be submitted to the Division of Coastal Zone Management and the Division of Fish and Wildlife for approval.
10. The Permittee must ensure that the facility does not create a nuisance to the neighboring community, i.e. excessive noise concerns, pursuant to the VI Noise Ordinance (Title 19 Part VI, Chapter 62).
11. The Permittee shall submit a road upgrade and maintenance plan to the Division of Coastal Zone management for review and approval before issuance of the permit. The plan shall include any initial improvements and repair of the existing road, and a plan for at least annual inspection and maintenance of

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the road during construction, plus plans to address any prompt repair or maintenance needed. Additionally, during the construction period, the Permittee shall post a bond in the amount of One million (\$1,000,000.00) dollars to ensure the road's integrity during construction, and said bond shall expire when the Certificate of Occupancy (CO) is issued for the development described in Article II.

12. a. The Permittee shall have the right to remove any mooring or vessel within the footprint of the marina or managed mooring field authorized by this permit that has been installed without a valid mooring permit from DPNR.
 - b. The Permittee shall have the right to relocate an existing, valid mooring in order to (i) remove the mooring out of the footprint of the marina to be developed pursuant to this permit, or (ii) conform with the design of the managed mooring field authorized by this permit for those who wish to remain within the leased area. The mooring shall be relocated to another location as close to the location of the original mooring and only to the extent required to conform with the design of the marina or managed mooring field authorized by this permit.
 - c. The Permittee shall provide no less than seven (7) days prior notice to the owner of any vessel or mooring to be relocated pursuant to section 12b. of this permit.
 - d. The relocation of any permitted mooring shall be completed at the sole expense and liability of the Permittee. Any mooring relocated within the managed mooring field authorized by this permit shall conform to the new moorings installed by the Permittee.
 - e. The mooring fees paid for validly existing moorings within the managed mooring field shall continue to be paid directly to DPNR. The Permittee shall be allowed to charge existing permitted vessels located within the Permittee's managed mooring field only for such services as the owner of the vessel obtains from the Permittee.
13. The Permittee shall provide convenient access to Eastwind Condominium to access its septic system.
 14. The Permittee shall abide by all easements, including access easements, as well as all covenants and restrictions that run with the premises land.
 15. The Permittee shall ensure optimum public access to the beach during

business hours. To achieve this, the Permittee must place appropriately labeled Beach Access Signage to the public to make them aware. Further, the Permittee shall designate at least five (5) dedicated parking spaces for public beach access and the signage must also be appropriately labeled and made available for beach patrons during normal business hours. Access should be provided during the construction phase as well through a properly demarcated and protected area for residents of the surrounding neighborhood.

16. The Permittee shall not allow any vessels over one hundred fifty (150) feet to utilize any of the marina's services.
17. The Permittee shall submit a Standard Operating Procedures manual for the marina, to include all activities to be conducted on-site, to the Division of Coastal Zone Management for review and approval before commencing the marina operation.
18. The Permittee shall be authorized to develop the proposed fuel storage facility to a maximum of four (4) fuel tanks with a 20,000-gallon volume in each tank.
19. During pile driving activities, the barge that will transport the equipment must be enclosed by turbidity curtains.
20. The Permittee shall submit a hurricane preparedness and response plan, to include the proposed wave attenuator, to the Division of Coastal Zone Management within ninety (90) days of issuance of the permit.
21. The Permittee shall develop and submit a Marine Debris Removal Plan (in-water and land) to the Division of Coastal Zone Management within ninety (90) days of issuance of the permit.

VII. FEES

1. A reclamation fee of **Seven Thousand Two Hundred Dollars (\$7,200.00)** is charged pursuant to 12 VIC 910(f)(2) for the dredging activities. Said fee shall be paid by the Permittee upon notification to the Department that dredging activities will commence.
2. The rental fees for the use and occupancy of the submerged lands as described in Section II are assessed pursuant to 12 V.I.C. § 911(f) and have been negotiated with the Permittee pursuant to 12 V.I.R.R. § 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.

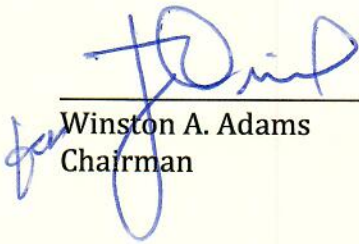
3. a. A rental fee of **ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00) per year**, payable annually in advance, shall be charged for the scope referred to in Section II. Said fee is comprised of the sum of \$50,000.00 per year for the marina, occupying approximately 6.73 acres, and \$100,000.00 per year for the managed mooring area occupying approximately 39.1 acres. The fee shall be with credit to Permittee for licensed moorings occupied by vessels paying mooring fees directly to DPNR, as further explained in subparagraph c.
 - b. For the first three (3) years of the permit term, the fee for the occupancy of the submerged lands is reduced to **FIFTY THOUSAND DOLLARS (\$50,000.00) per year** pursuant to 12 VIRR § 910-5(f).
 - c. The Permittee shall receive a pro rata credit against the rental fee for the managed mooring field determined on yearly basis, for moorings occupied by vessels paying moorings fees directly to DPNR. The Permittee shall not be charged mooring fees for any licensed moorings occupied by vessels that pay mooring fees directly to DPNR.
4. Upon the tenth (10th) and twentieth (20th) anniversaries 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 for All Urban Consumers (CPI-U), U.S. city average series for all items, and shall be calculated using the CPI Inflation Calculator on the U.S. Department of Labor, Bureau of Labor Statistics' website (http://www.bls.gov/data/inflation_calculator.htm) using the previously calculated year as the Base Year for comparison, provided however, no adjustments in rental fees shall be increased more than 15% over any preceding lease year.
5. Prior to the thirtieth (30th) anniversary of the permit term, the annual fees shall be renegotiated in accordance with the provisions of 12 VIRR § 910-5(e). In no event shall any fee to be determined be reduced below the annual fee of the preceding year. Failure to renegotiate prior to the due date of the 30th payment shall result in the automatic increase of the submerged land fee by twenty-five percent (25%) of the previous year.
6. Upon the seventy-fifth (75th) anniversary of this permit or at expiration, the rental fees shall be adjusted annually pursuant to the increase in the CPI-U in the manner described in Paragraph 4 of this section, and every year after, until a renewal permit is approved or the Permittee vacates the Premises in accordance with Section V, subsection K, of this permit.

7. In no event shall any rent determined in any of the above manners be reduced below the annual rent of the previous year.
8. 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.
9. In the event of an assignment or transfer of this permit pursuant to 12 V.I.R.R. § 910-15, the Assignee may be required to negotiate the fees at the discretion of the Division of CZM, pursuant to the provisions of 12 V.I.R.R. § 910-5(e).

IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title holder to all submerged lands or filled lands 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 on the days and years appearing herein below.

**ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS COASTAL ZONE MANAGMENT
COMMISSION
Permittor**

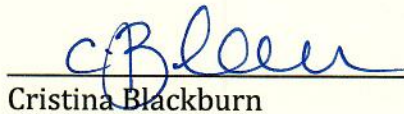


Winston A. Adams
Chairman

18-Nov-2024

Date

**JACK ROCK B-A C LLC
Permittee**



Cristina Blackburn

11/4/2024

Date

**APPROVED
GOVERNOR OF THE VIRGIN ISLANDS**



Governor

11/15/24

Date

**RATIFIED
LEGISLATURE OF THE VIRGIN ISLANDS**

President

Date

I, Cristina Blackburn, MANAGER of Jack Rock B-A C LLC, am duly authorized and empowered to sign this permit.

C Blackburn
Cristina Blackburn

11/4/2024
Date

SWORN AND SUBSCRIBED before me
this 4th day of November 2024

[Signature]
Notary Public

ANNA A. VLASOVA, ESQ.
Notary Public
Judicial Division, STT/STJ, U.S. Virgin Islands
LNP-173-24
My Commission Expires July 10, 2028

