



Legislature of the Virgin Islands

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POST AUDIT DIVISION

November 27, 2023

MEMORANDUM:

TO: Honorable Donna A. Frett-Gregory
Chairperson,
Committee on Budget, Appropriations and Finance
35th Legislature of the Virgin Islands

FROM: Post Audit Division

SUBJECT: Lease Agreement

LESSOR: Department of Property & Procurement on behalf of Department of Agriculture

LESSEE: James O. Gaston

PREMISES: Parcel No. 9-G, VICORP Lands, Prince Quarter, St. Croix U.S. Virgin Islands

TERM: Twenty (20) year period, with an option to renew for one (1) ten (10) year period. The initial lease term commences on the first day of the month following approval by the Legislature and the Governor of the Virgin Islands.

PURPOSE: The property will be used for crop production and rearing of livestock

LEASE SUMMARY

BACKGROUND: Gaston's Farms of the V.I. is owned and operated by James O. Gaston who is seeking to secure a farm lot under the stewardship of the Virgin Islands Department of Agriculture. This would be established through a long term lease agreement. His operation would present a small livestock (sheep and goat) and crop production on the Island of St. Croix.

REQUIRED SUPPORTING DOCUMENTATION

DOCUMENT	EXPIRATION DATE
Business License	6/30/2024
Trade Name Registration	N/A

Certificate of Liability Insurance	2/28/2024
Certificate of Good Standing	N/A

PAYMENT TERMS

The Lease requires \$225.00 per annum commencing on June 1. In the event that the Initial Term begins on a day after June 1, the rent for that period shall be prorated. A late charge will be assessed after fifteen (15) days of the due date for an additional ten percent (9%) of the yearly payment.

IMPROVEMENTS

Lessee may, in accordance with the provisions of Paragraph 7.02. of this Lease, erect or place on the Premises any fixtures and other installations that may be necessary or proper to the purposes of this Lease, and to the use of the Premises, according to Paragraph 3.02. However, the Lessee shall not erect any building or other structure, which may be utilized for residential purposes, without the written consent of the Commissioner of Agriculture or its designee. Further, any building, shed, storage facility or other structure erected on the Premises by Lessee shall be made of wood and shall not exceed three hundred and twenty (320) U.S. square feet. Any improvement to the Premises shall be done at Lessee’s expense and liability. Any structures not properly erected shall be removed at Lessee’s expense.

LIABILITY INSURANCE

Under the terms of the Lease, the Lessee agrees to:

- Keep in force a policy of public liability and property damage insurance with limits of not less than:
 - One Hundred Thousand Dollars (\$100,000.00) property damage,
 - One Hundred Thousand Dollars (\$100,000.00) claims for bodily injury or death.
- All of the said insurance shall be in a form satisfactory to Lessor and a copy of all insurance policies shall be delivered to the Lessor within twenty (20) days of the Commencement Date of this Lease.

ADDITIONAL INFORMATION

Detail information on the following items can be found in the attached lease document:

Items	Page
• Improvements	9-11
• Condemnation	11-12
• Cancellation, Termination, Assignment, and Transfers	12-14
• General Terms and Conditions	14-15
• Notices	15-16
• Other Terms and Conditions	16-17
• Insurance and Indemnity	18

EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Louis E. Petersen, Ph.D.	Commissioner Nominee	Department of Agriculture	10/12/2023
Lisa M. Alejandro	Commissioner	Department of Property & Procurement	10/19/2023
Ariel M. Smith	Attorney General	Department of Justice	10/23/2023
Honorable Albert Bryan Jr.	Governor	Office of the Governor	10/26/2023

CONCLUSION

The Department of Property and Procurement on behalf of Department of Agriculture has entered into a lease agreement with James O. Gaston. The purpose is for crop production and rearing of livestock, and for other related purposes. The terms and conditions of the Lease are consistent with other leases issued by the Department of Property and Procurement. Therefore, the Post Audit Division recommends approving this Lease between the Department of Property and Procurement on behalf of Department of Agriculture has entered into a lease agreement with James O. Gaston.

Post Auditor