

MAJOR COASTAL ZONE MANAGEMENT PERMIT NO. CZT- 5-99(W) modified

1. **AUTHORITY** This permit is issued by the St. Thomas Committee of the Virgin Islands Coastal Zone Management (CZM) Commission and is administered and monitored by the Department of Planning and Natural Resources (the "Department") on behalf of the Coastal Zone Management Commission pursuant to Virgin Islands Code, Title 12, Sections 910 and 911, and any other provisions of Chapter 21 that apply. As herein, "Permitter" is the **ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS COASTAL ZONE MANAGEMENT COMMISSION** and "Permittee" is **LSJ, LLC**.
2. **SCOPE** This Permit allows for the installation of two (2) mooring buoys, and the construction of two covered structures, one on the seaward end of the existing dock, and one on the landward end of the dock. This permit also authorizes the continued use and occupancy of the following:
 - a. a 1586 ft² dock (100' 4" x 10' pier with 28' 8" x 20' 8" platform) with removable stairs and three (3) mooring piles on the west of the dock
 - b. 144 ft² (12' x 12') trampoline
 - c. a 204 ft² (34' x 6') bulkhead
 - d. one 100' eight-inch (8") diameter intake line and one 100' six-inch (6") intake hose to supply the reverse osmosis plant
 - e. 250' of riprap revetment

The project is located seaward of Parcel C, Little St. James Island.

3. **TERM** This modification is effective upon its signing by the Chairman of the St. Thomas Committee of the Virgin Islands CZM Commission, approval by the Governor of the Virgin Islands, and approval by the Legislature of the Virgin Islands. This permit will expire on March 30, 2020. The Permittee shall have the option to renew the permit within ninety (90) days before the permit expires and the terms are subject to negotiations. This permit was 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.

4. **DOCUMENTS INCORPORATED BY REFERENCE**

- | | |
|------------|--|
| Exhibit A: | Permit modification request dated April 4, 2011. |
| Exhibit B: | Copy of the Environmental Assessment Report dated March 2011 |
| Exhibit C: | Copy of Permit No. CZT-5-99(W) dated March 30, 2011 |
| Exhibit D: | Copy of approved modification of CZT-5-99(W) dated June 12, 2002 |
| Exhibit E: | Copy of approved modification of CZT-5-99(W) dated June 9, 2004 |
| Exhibit F: | Copy of Environmental Assessment Report dated April 2004 for modification approved on June 9, 2004 |
| Exhibit G: | Copy of approved modification of CZT-5-99(W) dated August 20, 2008 |
| Exhibit H: | Copy of Environmental Assessment Report dated May 2008 for |

modification approved on August 20, 2008

5. **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 Paragraph 2 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.
- 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 R®S.
- 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 Permittee affirms that the information and data which it provided in connection with its permit application are true and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data prove to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part, and that the Commissioner or the Committee may, in addition, institute appropriate legal action.
- 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 continuous until completion. Failure to perform at least fifty (50%) percent of the 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 Committee that good cause exists for granting such extension.
- G. **Notification of Completion** Upon completion of any activity authorized or required by this CZM Permit, the Permittee shall promptly so notify the Director of the Division of CZM 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 said Director.
- H. **Inspection** The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times during project working hours 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 Commission, its Committee, or the Commissioner

in the performance of it or his duties under the CZM Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.

- I. Conditions of Premises The Development authorized by this permit shall be maintained in a safe condition and in accordance with the description, plans, or drawings approved by the Commissioner or by the Committee, 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 Committee or 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 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.
- 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, 8100 Lindberg Bay, Suite 61, Cyril E. King Airport, Terminal Building Second Floor, 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 LSJ, LLC, c/o Hodge and Francois, Attorneys at Law, 1340 Taamberg, St. Thomas, VI 00802, or to such place as the Permittee may hereinafter designate by certified mail, return receipt requested.
- 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 It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by the 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.
- O. Other Approval If the development 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 or void.

- Q. 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 the Applicant requests a written extension and the Department grants the written extension.
- R. 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 written permission has been granted by the Department.

6. **SPECIAL CONDITIONS**

1. *The Permittee shall notify the Division of Coastal Zone Management (CZM) two (2) working days prior to the commencement of the installation of the mooring buoys.*
2. *All other applicable territorial and federal permits, i.e. Army Corps of Engineers, Division of Environmental Protection, Building Permits, etc., shall be obtained and when applicable, submitted to the Division of CZM prior to commencement of development activities.*
3. *Turbidity barriers shall be and other mitigative measures shall be installed to prevent any degradation of coastal water quality.*
4. *The moorings shall be used for temporary, periodic use only. No overnights use is allowed.*
5. *All Special Conditions from the original permit, CZT-5-99(W), shall remain in full force and effect*

7. **FEES**

- A. A fee of Nine Thousand Five Hundred Dollars (\$9,500.00) per year, payable annually in advance, shall be charged for the use and occupancy of submerged land area occupied under this permit. The fee is assessed pursuant to Virgin Islands Code Annotated, Title 12, Section 911 (f). Certified or bank checks shall be payable to the Department of Planning and Natural Resources upon receipt of the executed permit.
- B. The annual fees payable under this permit shall be adjusted at the commencement of the sixteenth (16th) year of the permit term in accordance with the increase of the Consumer Price Index as established by the United States Department of Labor, Bureau of Labor Statistics, for "All Items, All Urban Consumers (1984-100 percent)" (the "CPI"), as follows:

- i. The CPI as of the first month of the sixteenth year of the term of the permit shall be the base price index and the CPI as of the month immediately preceding the commencement of the sixteenth year of the permit term shall be the current price index.
- ii. The current price index shall be divided by the base price index and the quotient thereof shall be multiplied by the sum of the annual fee of the prior year. The resulting product shall be the Annual fee, provided however, that in no event shall the Annual Fee, following adjustment, be less than the initial Nine Thousand Five Hundred Dollar (\$9,500.00) fee or greater than 125 percent of the Nine Thousand Five Hundred Dollar (\$9,500.00) fee during the preceding sixty (60) months of term of the permit.

IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title to all submerged or filled land which is altered or occupied on the basis of this permit is 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.

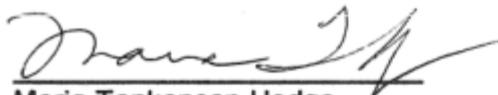
IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS CZM COMMISSION
Permitter

Austin Monsanto, Chairman
St. Thomas CZM Committee

Date

LSJ, LLC.
Permittee



Maria Tankenson Hodge
Attorney-in-fact for LSJ, LLC



Date

APPROVED

The Honorable John P. de Jongh, Jr.
Governor of the Virgin Islands

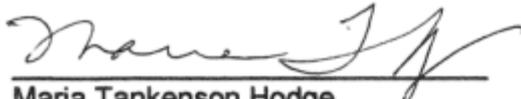
Date

APPROVED
Legislature of the Virgin Islands

Ronald E. Russell
President, 29th Legislature

Date

I, Maria Tankenson Hodge, Attorney-in-fact for LSJ, LLC, do hereby certify that as Attorney-in-fact for LSJ, LLC., I am duly authorized and empowered to sign this Permit on behalf of LSJ, LLC.



Maria Tankenson Hodge

10/7/11

Date

SWORN AND SUBSCRIBED before me

This 7 Day of October, 2011

Notary Public 

HARRY I. BELLER
Notary Public, State of New York
No. 01BE4853924
Qualified in Rockland County
Commission Expires Feb. 17, 2014

**BASIS FOR NEGOTIATIONS
LSJ, LLC
Parcel "C" Little St. James Island**

I. General Information

Permit No.: CZT-5-99(W)

Applicant: LSJ, LLC

Location: Parcel "C" Little St. James Island

II. Activity: Installation of moorings, and continued use and occupancy of docking facility, intake pipes, and riprap revetment

III. Fees: Fee negotiated = **\$9500.00 per year**

IV. Calculations

FMV = \$6,442,100 (\$2,778,400 land + \$3,663,700 improvements) for 68.7 acres
= \$93,771.47/acre

Structures occupying submerged lands

$\frac{2550 \text{ ft}^2}{43,560 \text{ ft}^2} = .0585 \text{ acres} \times \$93,771.47/\text{acre} = \$5489.38 \times 12\% = \$658.72$

Water Area

$\frac{26,130 \text{ ft}^2}{43,560 \text{ ft}^2} = .60 \text{ acres} \times \$93,771.47/\text{acre} = \$56,249.96 \times 12\% = \6750.00

Fee based on FMV = \$658.72 + \$6750.00 = \$7408.72

V. Total Fee Negotiated = **\$9,500.00 per year**

(end)

MAJOR COASTAL ZONE MANAGEMENT PERMIT NO. CZT- 5-99(W) modified

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2. **SCOPE** This Permit allows for the installation of two (2) mooring buoys, and the construction of two covered structures, one on the seaward end of the existing dock, and one on the landward end of the dock. This permit also authorizes the continued use and occupancy of the following:
 - a. a 1586 ft² dock (100' 4" x 10' pier with 28' 8" x 20' 8" platform) with removable stairs and three (3) mooring piles on the west of the dock
 - b. 144 ft² (12' x 12') trampoline
 - c. a 204 ft² (34' x 6") bulkhead
 - d. one 100' eight-inch (8") diameter intake line and one 100' six-inch (6") intake hose to supply the reverse osmosis plant
 - e. 250' of riprap revetment

The project is located seaward of Parcel C, Little St. James Island.

3. **TERM** This modification is effective upon its signing by the Chairman of the St. Thomas Committee of the Virgin Islands CZM Commission, approval by the Governor of the Virgin Islands, and approval by the Legislature of the Virgin Islands. This permit will expire on March 30, 2020. The Permittee shall have the option to renew the permit within ninety (90) days before the permit expires and the terms are subject to negotiations. This permit was 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.

4. **DOCUMENTS INCORPORATED BY REFERENCE**

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modification approved on August 20, 2008

5. **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 Paragraph 2 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.
- 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 R®S.
- 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.
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- H. **Inspection** The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times during project working hours 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 Commission, its Committee, or the Commissioner

in the performance of it or his duties under the CZM Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.

- I. Conditions of Premises The Development authorized by this permit shall be maintained in a safe condition and in accordance with the description, plans, or drawings approved by the Commissioner or by the Committee, 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 Committee or 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 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.
- 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, 8100 Lindberg Bay, Suite 61, Cyril E. King Airport, Terminal Building Second Floor, 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 LSJ, LLC, c/o Hodge and Francois, Attorneys at Law, 1340 Taarnberg, St. Thomas, VI 00802, or to such place as the Permittee may hereinafter designate by certified mail, return receipt requested.
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- O. Other Approval If the development 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 or void.

- Q. 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 the Applicant requests a written extension and the Department grants the written extension.
- R. 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 written permission has been granted by the Department.

6. SPECIAL CONDITIONS

1. *The Permittee shall notify the Division of Coastal Zone Management (CZM) two (2) working days prior to the commencement of the installation of the mooring buoys.*
2. *All other applicable territorial and federal permits, i.e. Army Corps of Engineers, Division of Environmental Protection, Building Permits, etc., shall be obtained and when applicable, submitted to the Division of CZM prior to commencement of development activities.*
3. *Turbidity barriers shall be and other mitigative measures shall be installed to prevent any degradation of coastal water quality.*
4. *The moorings shall be used for temporary, periodic use only. No overnights use is allowed.*
5. *All Special Conditions from the original permit, CZT-5-99(W), shall remain in full force and effect*

7. FEES

- A. A fee of Nine Thousand Five Hundred Dollars (\$9,500.00) per year, payable annually in advance, shall be charged for the use and occupancy of submerged land area occupied under this permit. The fee is assessed pursuant to Virgin Islands Code Annotated, Title 12, Section 911 (f). Certified or bank checks shall be payable to the Department of Planning and Natural Resources upon receipt of the executed permit.
- B. The annual fees payable under this permit shall be adjusted at the commencement of the sixteenth (16th) year of the permit term in accordance with the increase of the Consumer Price Index as established by the United States Department of Labor, Bureau of Labor Statistics, for "All Items, All Urban Consumers (1984-100 percent)" (the "CPI"), as follows:

- i. The CPI as of the first month of the sixteenth year of the term of the permit shall be the base price index and the CPI as of the month immediately preceding the commencement of the sixteenth year of the permit term shall be the current price index.
- ii. The current price index shall be divided by the base price index and the quotient thereof shall be multiplied by the sum of the annual fee of the prior year. The resulting product shall be the Annual fee, provided however, that in no event shall the Annual Fee, following adjustment, be less than the initial Nine Thousand Five Hundred Dollar (\$9,500.00) fee or greater than 125 percent of the Nine Thousand Five Hundred Dollar (\$9,500.00) fee during the preceding sixty (60) months of term of the permit.

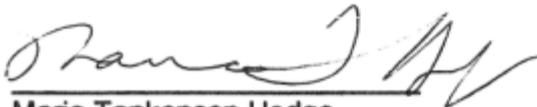
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IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS CZM COMMISSION
Permitter

Austin Monsanto, Chairman
St. Thomas CZM Committee

Date



Maria Tankenson Hodge
Attorney-in-fact for LSJ, LLC

LSJ, LLC.
Permittee



Date

APPROVED

The Honorable John P. de Jongh, Jr.
Governor of the Virgin Islands

Date

APPROVED
Legislature of the Virgin Islands

Ronald E. Russell
President, 29th Legislature

Date

I, Maria Tankenson Hodge, Attorney-in-fact for LSJ, LLC, do hereby certify that as Attorney-in-fact for LSJ, LLC., I am duly authorized and empowered to sign this Permit on behalf of LSJ, LLC.



Maria Tankenson Hodge

10/7/11
Date

SWORN AND SUBSCRIBED before me

This 7 Day of October, 2011

Notary Public



HARRY I. BELLER
Notary Public, State of New York
No. 01BE4853924
Qualified in Rockland County 14
Commission Expires Feb. 17, 2014

**BASIS FOR NEGOTIATIONS
LSJ, LLC
Parcel "C" Little St. James Island**

I. General Information

Permit No.: CZT-5-99(W)

Applicant: LSJ, LLC

Location: Parcel "C" Little St. James Island

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Fee based on FMV = \$658.72 + \$6750.00 = \$7408.72

V. Total Fee Negotiated = **\$9,500.00 per year**

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- 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 R®S.
- 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 Permittee affirms that the information and data which it provided in connection with its permit application are true and accurate, and acknowledges that if subsequent to the effective date of this permit such information and data prove to be false or inaccurate, the permit may be modified, suspended or revoked in whole or in part, and that the Commissioner or the Committee may, in addition, institute appropriate legal action.
- 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 continuous until completion. Failure to perform at least fifty (50%) percent of the 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 Committee that good cause exists for granting such extension.
- G. **Notification of Completion** Upon completion of any activity authorized or required by this CZM Permit, the Permittee shall promptly so notify the Director of the Division of CZM 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 said Director.
- H. **Inspection** The Commission, its Committee, the Commissioner or their authorized agents or representatives shall have the power to enter at reasonable times during project working hours 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 Commission, its Committee, or the Commissioner

in the performance of it or his duties under the CZM Act may require the Permittee to maintain. Such records may be examined and copies shall be submitted to the Commission, its Committee or the Commissioner upon request.

- I. Conditions of Premises The Development authorized by this permit shall be maintained in a safe condition and in accordance with the description, plans, or drawings approved by the Commissioner or by the Committee, 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 Committee or 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 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.
- 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, 8100 Lindberg Bay, Suite 61, Cyril E. King Airport, Terminal Building Second Floor, 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 LSJ, LLC, c/o Hodge and Francois, Attorneys at Law, 1340 Taarnberg, St. Thomas, VI 00802, or to such place as the Permittee may hereinafter designate by certified mail, return receipt requested.
- 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 It is specifically understood that all the foregoing covenants and agreements, as well as other terms and special conditions hereby agreed to by the 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.
- O. Other Approval If the development 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 or void.

- Q. 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 the Applicant requests a written extension and the Department grants the written extension.
- R. 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 written permission has been granted by the Department.

6. **SPECIAL CONDITIONS**

1. *The Permittee shall notify the Division of Coastal Zone Management (CZM) two (2) working days prior to the commencement of the installation of the mooring buoys.*
2. *All other applicable territorial and federal permits, i.e. Army Corps of Engineers, Division of Environmental Protection, Building Permits, etc., shall be obtained and when applicable, submitted to the Division of CZM prior to commencement of development activities.*
3. *Turbidity barriers shall be and other mitigative measures shall be installed to prevent any degradation of coastal water quality.*
4. *The moorings shall be used for temporary, periodic use only. No overnights use is allowed.*
5. *All Special Conditions from the original permit, CZT-5-99(W), shall remain in full force and effect*

7. **FEES**

- A. A fee of Nine Thousand Five Hundred Dollars (\$9,500.00) per year, payable annually in advance, shall be charged for the use and occupancy of submerged land area occupied under this permit. The fee is assessed pursuant to Virgin Islands Code Annotated, Title 12, Section 911 (f). Certified or bank checks shall be payable to the Department of Planning and Natural Resources upon receipt of the executed permit.
- B. The annual fees payable under this permit shall be adjusted at the commencement of the sixteenth (16th) year of the permit term in accordance with the increase of the Consumer Price Index as established by the United States Department of Labor, Bureau of Labor Statistics, for "All Items, All Urban Consumers (1984-100 percent)" (the "CPI"), as follows:

- i. The CPI as of the first month of the sixteenth year of the term of the permit shall be the base price index and the CPI as of the month immediately preceding the commencement of the sixteenth year of the permit term shall be the current price index.
- ii. The current price index shall be divided by the base price index and the quotient thereof shall be multiplied by the sum of the annual fee of the prior year. The resulting product shall be the Annual fee, provided however, that in no event shall the Annual Fee, following adjustment, be less than the initial Nine Thousand Five Hundred Dollar (\$9,500.00) fee or greater than 125 percent of the Nine Thousand Five Hundred Dollar (\$9,500.00) fee during the preceding sixty (60) months of term of the permit.

IT IS EXPRESSLY UNDERSTOOD by the parties hereto that the title to all submerged or filled land which is altered or occupied on the basis of this permit is 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.

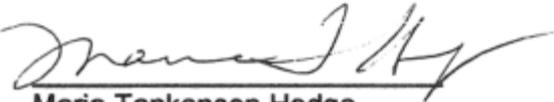
IN TESTIMONY WHEREOF, the parties herein have hereunto set their hands and seals on the days and years appearing herein below.

ST. THOMAS COMMITTEE OF THE VIRGIN ISLANDS CZM COMMISSION
Permitter

Austin Monsanto, Chairman
St. Thomas CZM Committee

Date

LSJ, LLC.
Permittee



Maria Tankenson Hodge
Attorney-in-fact for LSJ, LLC

10/7/11
Date

APPROVED

The Honorable John P. de Jongh, Jr.
Governor of the Virgin Islands

Date

APPROVED
Legislature of the Virgin Islands

Ronald E. Russell
President, 29th Legislature

Date

I, Maria Tankenson Hodge, Attorney-in-fact for LSJ, LLC, do hereby certify that as Attorney-in-fact for LSJ, LLC., I am duly authorized and empowered to sign this Permit on behalf of LSJ, LLC.



Maria Tankenson Hodge

10/2/11

Date

SWORN AND SUBSCRIBED before me

This 7 Day of October, 2011 

Notary Public

HARRY I. BELLER
Notary Public, State of New York
No. 01BE4853924
Qualified in Rockland County
Commission Expires Feb. 17, 2014

**BASIS FOR NEGOTIATIONS
LSJ, LLC
Parcel "C" Little St. James Island**

I. General Information

Permit No.: CZT-5-99(W)

Applicant: LSJ, LLC

Location: Parcel "C" Little St. James Island

II. Activity: Installation of moorings, and continued use and occupancy of docking facility, intake pipes, and riprap revetment

III. Fees: Fee negotiated = **\$9500.00 per year**

IV. Calculations

FMV = \$6,442,100 (\$2,778,400 land + \$3,663,700 improvements) for 68.7 acres
= \$93,771.47/acre

Structures occupying submerged lands

$\frac{2550 \text{ ft}^2}{43,560 \text{ ft}^2} = .0585 \text{ acres} \times \$93,771.47/\text{acre} = \$5489.38 \times 12\% = \$658.72$

Water Area

$\frac{26,130 \text{ ft}^2}{43,560 \text{ ft}^2} = .60 \text{ acres} \times \$93,771.47/\text{acre} = \$56,249.96 \times 12\% = \6750.00

Fee based on FMV = \$658.72 + \$6750.00 = \$7408.72

V. Total Fee Negotiated = **\$9,500.00 per year**

(end)